

Purchasing Week

MCGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Vol. 1 No. 45

New York, N. Y., November 10, 1958

\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN



How to Improve Your Relations with Salesmen

Buyer-seller relationships can be improved only by each following the advice of the other. This advice was given at a recent round-table conducted by PURCHASING WEEK at Chicago. Four purchasing agents told three sales managers (above) that they need to keep the buyer informed on deliveries, that even small orders must be considered important, that salesmen should know more about their products. For what the S.M.'s told the P.A.'s, see . . .

SEE PAGE
12

**Purchasing Week
SPECIAL
REPORT**

We'll Eat From Vending Machines

St. Louis—If your company operates an office or plant cafeteria or restaurant, the automatic vending machine industry considers you a customer ripe for a sale.

Vending machine manufacturers and operators, meeting here last week at the National Automatic Merchandising Association convention, argued convincingly that the old style type of plant and office employee feeding systems are on the way out. But the modern replacement is not a rag-tail collection of coffee, canned

soup, cookie, and candy vending machines.

The industry contends more and more firms are eliminating in-plant feeding losses by installing beautifully designed banks of machines which can supply as many as 33 varieties of hot and cold foods, installed and serviced by one operating company, with daily menu changes.

Installation of automated feeding facilities at General Electric's West Lynn, Mass., plant eliminated a cafeteria system which

(Continued on page 21)

Hopes Die for World Lead-Zinc Controls

Geneva—Hopes for international controls on lead and zinc appeared shaky as a U.S. government-industry delegation arrived here for a new world conference on the metals last week.

The U.N.-sponsored session of consumer-producer nations was scheduled to open formally today. In pre-conference sessions which began here Thursday, Washington spokesmen from the State, Interior, and Commerce Departments pushed for general acceptance of international export quotas. The Eisenhower Administration, in response to pressure from less-developed supplier countries such as Peru and

(Continued on page 21)

Ways to Stabilize Prices Suggested to Congress

Washington—Congressional pursuit of ways to stabilize prices resumed this week amid widespread post-election talk of impending inflationary pressures and higher federal spending.

The Joint Economic Committee, preparing for December-scheduled hearings on the role of prices in the economy, presented the views of a group of labor and industrial economists it solicited on the subject.

The labor experts placed full blame for price inflation on management. The industrial economists retaliated by viewing inflation as a result of labor wage increases.

But there was a noticeable lack of acrimony in the discussions, in sharp contrast to often heated debate on the subject in the past.

Even before last week's elections, the two groups were taking a more moderate stand, at least publicly. The reason is not difficult to ascertain.

Both labor and business are

(Continued on page 22)

Salesmen Advise You What to Do

(Copyright 1958 Purchasing Week)

New York—Purchasing agents in the opinion of industrial distributor salesmen should:

1. Improve their product knowledge.
2. Make it easier for salesmen to see other department heads.
3. De-emphasize price and accent quality and service features of their purchases.

These opinions were revealed by a PURCHASING WEEK survey. Some 340 salesmen in 57 cities spelled out what they thought P.A.'s could do to help them.

The three opinions above were

(Continued on page 22)

Antitrust Staff to Ignore Steel Price Increase

Washington—If the antitrust division of the Justice Department had any plans about court action on last August's steel price increases, the idea apparently has been shelved. The Department's antitrust chief, Victor R. Hansen, says he lacks the proof of conspiracy needed to justify launching an antitrust action.

Last summer Hansen assured a Senate subcommittee investigating steel industry pricing his staff

(Continued on page 21)

Red Trade Offers Gains and Losses

New York—The dangers and opportunities of the Soviet economic offensive were explained to purchasing executives and other businessmen at last week's American Management Association meeting on Red trade strategy.

At the three-day meeting, industrial specialists and government officials assessed the economic strength of the Soviet orbit. They suggested how to anticipate and counteract Soviet trade stratagems. Speakers also noted items that could profitably be bought and sold between East and West without conflict with

(Continued on page 3)

—This Week's—

Purchasing Perspective

NOV. 10-16

The red flag of inflation is being waved vigorously as many business areas interpret last week's balloting. But for the time being, at least, economic forces directly affecting purchasing decisions remain basically undisturbed by the Nov. 4 election.

The smashing Democratic victory and its realignment of formidable Congressional groups and influences nevertheless contain some potentially powerful undercurrents (see Washington Perspective, p. 4). Yet, it must be remembered that fundamental economic trends pressuring prices and buying policies likewise are strong and are unlikely to deviate wildly as a result of a political turnover which was not entirely unexpected (see Price Perspective, p. 2).

What's more, the new Congress is certain to have the wage-price-inflation problem before it from the start. The inter-related questions of price stabilization, inflation, and wages already are a top concern of the Joint Economic Committee. A new phase of this continuing inquiry starts next month (see p. 1) and can be expected to build up steam for further action in the new session.

A preliminary look at McGraw-Hill's survey of capital spending (p. 1) shows that companies have revised their plans upward since last spring. They report a small increase scheduled for

(Continued on page 21)

Plant and Equipment Buying Dip Ending

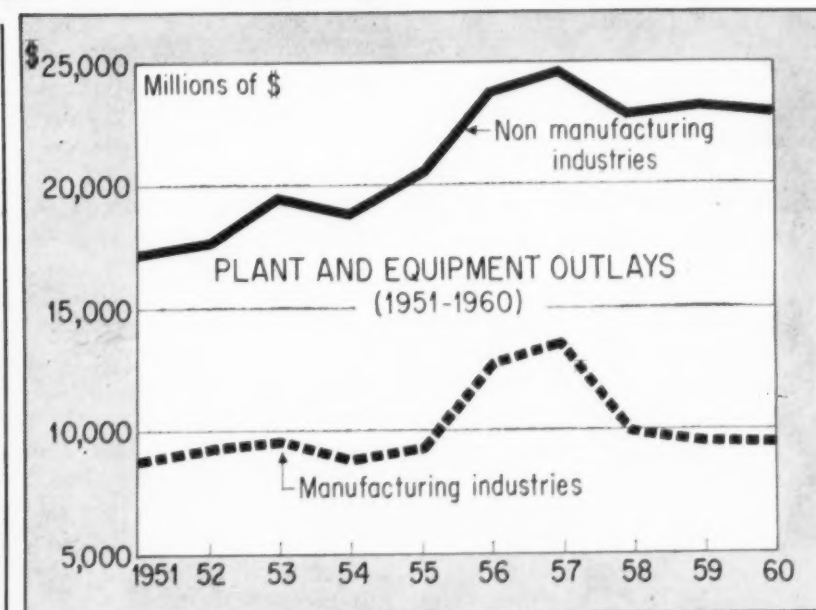
New York—Purchasing executives are going to be asked to buy a lot of new equipment next year—in many instances considerably more than seemed likely as late as six months ago. That's the key finding in a new McGraw-Hill survey on corporate plans for purchasing new plant and equipment in 1959 and 1960.

It all adds up to a sort of cautious optimism on the part of businessmen. While there is no sign of any capital equipment boom such as we witnessed in 1955-56 (see chart), you can't help but get an encouraging feeling from these survey findings:

- Companies in every manufacturing industry expect their sales to be higher in 1959 than in 1958.

- This optimistic outlook is already being reflected in capital outlays. The sharp 1958 drop in business spending has just about leveled off.

- Capital outlay totals in 1959



will actually be fractionally above this year's level—despite overcapacity in many industries.

- More important, old plans for 1959 and 1960 are being revised upward. These new figures

show businessmen in 1959 expect to spend about 5.4% more than they indicated in a previous survey (P.W. April 21, p. 1).

If previous experience is any

(Continued on page 4)

Red Trade Offers Gains and Losses; A.M.A. Experts Explain Markets

(Continued from page 1)
United States government policies.

The conference once again demonstrated the need of the purchasing executive to look beyond his own shores. What Russia produces, what it sells, and how it sells it can all have profound influences on domestic purchase prices.

C. Douglas Dillon, Under Secretary of State for economic affairs, in discussing basic Russian trade policy, made specific reference to recent Red exports of tin, platinum, and aluminum. He indicated that more of this type of offering may be in the cards—with important effects on domestic prices and supplies.

He hinted that the United States might be forced to take some counter moves to offset this threat to raw material producing countries. Such action might be in the form of a series of conferences—with the aim of stabilizing raw goods prices, thereby bolstering the incomes of underdeveloped countries.

Harry Schwartz, a New York Times specialist on Soviet affairs, emphasized the fact that Russia is now in a position to step up its economic offensive. He examined present and potential Soviet economic capacity.

Chart Shows Growth

In this connection, P.W. economists have prepared a chart (right above) showing the relative growth of the American, West European, and Russian economies. You'll note that the biggest gains have been racked up by the Soviet Union (about 10% a year). This has occurred at a time when two American recessions in a row have held down U. S. growth.

Schwartz, in noting the Red potential, also touched upon Russian weaknesses. Hinting on what lies ahead, he pointed to the Russian 7-year plan (1959-65) and a 15-year plan going into 1972.

Getting down to specifics, D. N. Vedensky, M. A. Hanna Co., gave a brief summary of the Soviet iron and steel industry. In analyzing the industry, he noted that it will take the Russians at least ten years before they can generate enough excess producing capacity to become a serious steel influence in West Europe.

Irving Lipkowitz, Reynolds Metals Co., then analyzed another key metal—aluminum. He noted that Soviet influence on world market levels has been particularly strong in this area.

He said that Red aluminum exports have been entering West European markets for over a year now at prices well below world levels. Although tonnage has neither been large nor constant, these tactics have undercut the world market, bringing about an aluminum price reduction.

Lipkowitz thought that Russian aluminum exports represented more than just good economic competition. How the exports will fare in the future, may well depend on what game of international politics the men in the Kremlin choose to play.

Another government speaker, Henry Kearns, Assistant Secretary of Commerce for international affairs, pointed out how American businessmen could meet

Soviet strategies. He proposed the following specific steps:

- A drastic strengthening of the foreign commercial service of the United States. This could provide a greater number of trained people in the markets throughout the world who can assist American businessmen in finding markets and sources of supply.

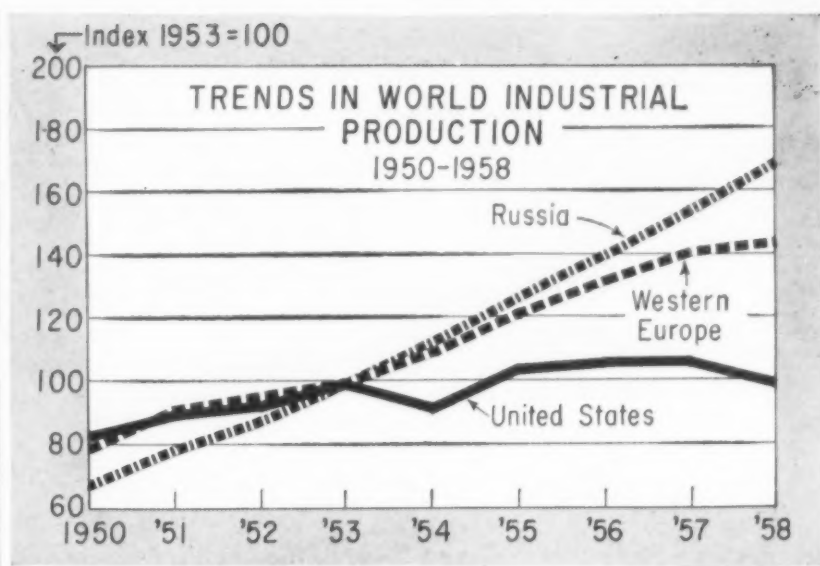
- Some means for displaying and presenting U. S. products in the key markets of the world must be devised.

- The government must in-

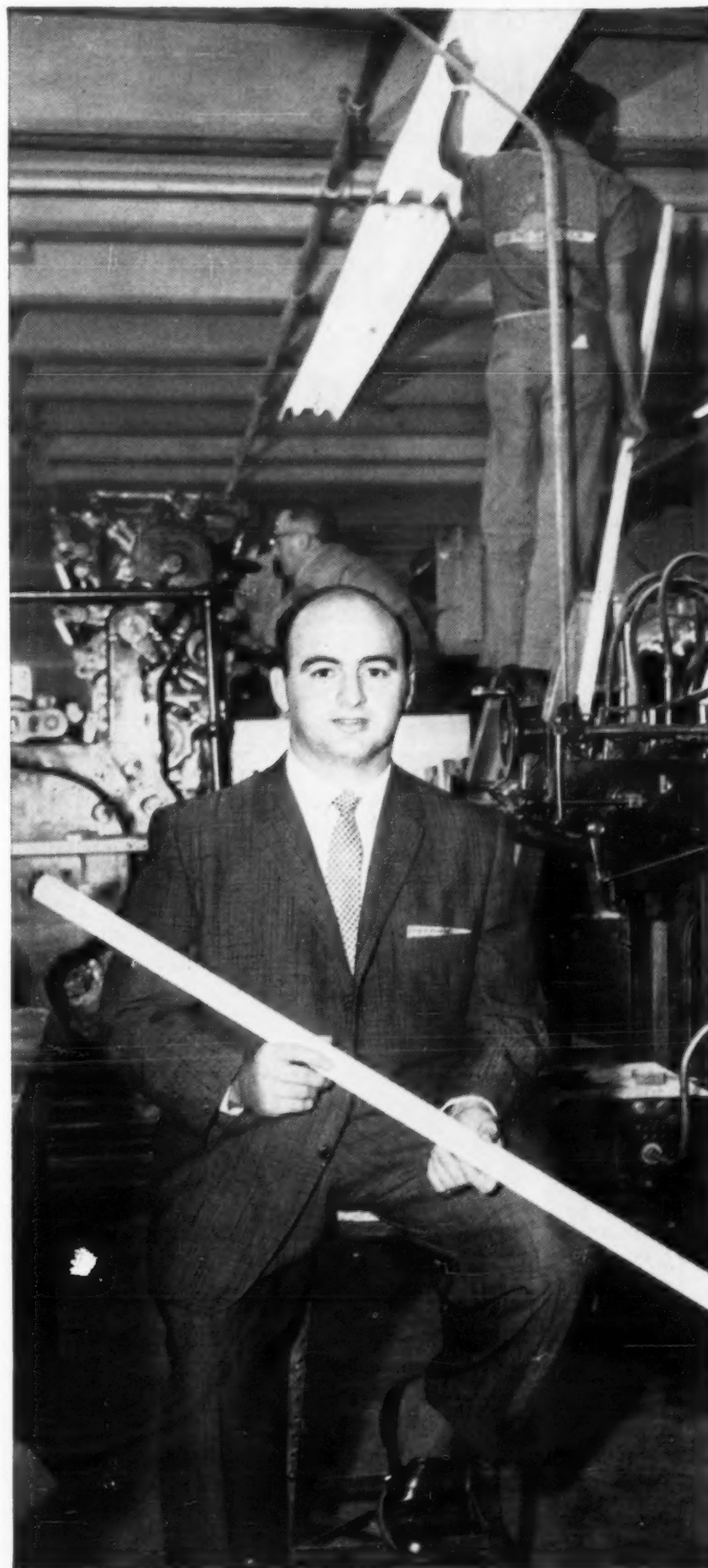
crease its capabilities in the dissemination of trade information.

- The government should explore the desirability for establishing insurance whereby export credits of private traders may receive the full support of the government when collection is due.

The European point of view was adequately covered by speakers from England and Germany. Geoffrey Browne of England's economist intelligence unit noted that Soviet exports whether they be raw materials or industrial equipment can be regarded as a challenge to American buyers. They can help keep costs down, and provide our factories with a secondary source of supply.



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Washington Perspective

NOV. 10-16

Purchasing executives should take a close look at what last week's election portends.

The big Democratic sweep produced a fundamental change in Congress—upsetting the Republican-Southern Democratic coalition which has been dominant on Capitol Hill for almost two decades.

This group has acted as a brake on Northern Democratic spending proposals, warning of the inflationary dangers inherent in such a course.

But the coalition is in a minority now. Democrats with a New Deal bent—from the North and West—were swept into office and they'll hold reins of power for the next two years.

No one expects the new Congress automatically to turn on the spending spigots in January. But the experts—in Washington and around the country—know that the balance has been shifted to favor those who lean toward voting a great deal too early to counteract deflation, rather than acting too little and too late.

The first Wall Street reaction stems directly from this kind of conclusion on the significance of the election. The betting obviously is running to those who feel that backing inflation is politically less a risk than taking a chance on even a relatively minor recession.

With this kind of appraisal, take a look at the basic economic figures:

Wholesale prices already had shown signs of firming in the past few months. The Democratic victory is likely to reinforce this trend. There may be no immediate markup in industrial tags, but the pressure is in that direction.

Democrats are already heavily committed as a result of the campaign.

They're indebted to labor, which contributed heavily to the outcome. And labor won't be backward about rendering its bill. For one thing, it will want a broadscale attack to wipe out the remaining areas of unemployment. It'll want more relief for the unemployed, distressed areas legislation, higher Social Security and welfare benefits.

Then there's the farmer. He contributed greatly, too, to the Democratic sweep in Congress. Watch for a big push to dump Benson's farm policies, embark on a new and more expensive system of farm price supports and agricultural aid.

The politics of farm legislation doesn't demand quick federal legislation to prop up prices of farm commodities. The Democrats have time to play it any way that's to their advantage. And it may be to their advantage to work up legislation they don't intend to have become law—legislation whose purpose is to guarantee an Eisenhower veto.

Eisenhower's veto of such bills would turn out just as many farmers at the polls in 1960 as legislation signed into law. In fact, it might mean more Democratic votes, by keeping the farmers stirred up.

Organized labor recovers some of its political power and prestige from the election. Labor scored solid victories in defeating right-to-work laws in five of six states where they were on the ballot. Most significant is the labor success in Ohio and California, two big industrial states where adoption would have been a real turn-back of union power.

The result of labor's victory is not lost on the professional politicians. They can be expected to court labor support even more warmly in 1960 Presidential election . . . with, of course, labor demanding in return a bigger say in national politics.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,011	2,024*	1,996
Autos, units	101,112	70,973*	126,139
Trucks, units	20,689	16,255*	21,226
Crude runs, thous bbl, daily aver	7,752	7,753	7,580
Distillate fuel oil, thous bbl	13,039	12,071	12,077
Residual fuel oil, thous bbl	7,123	7,227	7,354
Gasoline, thous bbl	27,400	27,546	27,024
Petroleum refineries operating rate, %	83.0	83.0	84.2
Container board, thous tons	168,779	161,282	159,604
Boxboard, thous tons	149,028	143,494	132,459
Paper operating rate, %	91.4	92.1*	94.4
Lumber, thous of board ft	264,733	257,864	233,409
Bituminous coal, daily aver thous tons	1,410	1,411*	1,647
Electric power, million kilowatt hours	12,330	12,174	11,860
Eng const awards, mil \$ Eng News-Rec	221.5	272.9	147.9

*Revised

Plans For Capital Spending

(Millions of Dollars)

INDUSTRY	1957 Actual	1958 Estimated	1959 Planned	1958-59 Percent Change	1960 Planned
ALL MANUFACTURING	\$13,647	\$10,009	\$9,678	- 3%	\$9,655
Iron & Steel	1,844	1,199	1,043	-13	1,043
Nonferrous Metals	980	510	398	-22	295
Machinery	1,275	1,025	1,031	+ 1	1,099
Electrical Machinery	599	517	507	- 2	583
Autos, Trucks & Parts	1,058	646	672	+ 4	645
Transportation Equipment (aircraft, ships, RR eqpt.)	544	408	355	-13	359
Other Metalworking	942	727	737	+ 1	722
Chemicals	1,724	1,400	1,288	- 8	1,211
Paper & Pulp	811	602	566	- 6	634
Rubber	200	136	163	+20	187
Stone, Clay & Glass	572	404	447	+11	461
Petroleum Refining	853	606	588	- 3	623
Food & Beverages	850	737	813	+10	800
Food	627	570	612	+ 7	598
Beverages	223	167	201	+20	202
Textiles	408	264	229	-13	273
Miscellaneous Manufacturing	987	828	841	+ 2	720
PETROLEUM INDUSTRY	5,797	5,158	5,442	+ 6	5,439
MINING	450	425	376	-12	323
RAILROADS	1,396	751	774	+ 3	937
OTHER TRANSPORTATION & COMMUNICATIONS	4,604	4,141	4,275	+ 3	4,414
ELECTRIC & GAS UTILITIES	6,197	6,280	6,103	- 3	5,693
COMMERCIAL	7,199	6,694	6,962	+ 4	6,823
ALL BUSINESS*	38,437	32,852	33,022	+ 0.5	32,661

*Petroleum refining, included under both manufacturing and petroleum industry, is counted only once in the total

Plant and Equipment Buying Dip Ending

No Boom Like That of 1955-56 Expected, but with Higher Sales Expected Companies Are Revising Capital Outlay Plans Upward

(Continued from page 1)
teacher, these plans will probably again be revised upward as final budgets are completed. That's what happened in 1954 when the economy was recovering from an earlier recession.

At that time business reported plans to spend 5% less on new plants and equipment in 1955 than in 1954. However, when all reports were in, expenditures in 1955 actually exceeded 1954 by 7%.

A detailed account of what businessmen are planning for 1959 and 1960 is shown in the table above.

Manufacturing Industry Outlook

About half of the major manufacturing industries now plan to increase their expenditures on new plants and equipment next year. But no manufacturing industry now plans to spend as much in 1959 or 1960 as it did in 1957.

The largest cuts in spending next year are planned, in general, in metal and metalworking industries which have particularly large amounts of spare capacity. These industries include nonferrous metals (-22%), iron and steel (-13%), and transportation equipment (-13%). These cuts follow reductions in capital spending between 1957 and 1958 of as much as 48%.

The auto industry, which reduced capital spending by 39% this year, now plans a 4% increase for 1959. Machinery, electrical machinery, and other metalworking companies, which cut spending 14% to 23% this year, all plan to spend about the same next year as in 1958.

The process industries, as a

whole, expect to spend slightly less in 1959. Chemical companies plan to spend 8% less, paper and pulp 6% less, and petroleum refining 3% less than in 1958.

But rubber companies report plans to spend 20% more, and companies in the stone, clay, and glass group plan to increase expenditures by 11%. Declines in spending in these industries this year ranged between one-fifth for chemicals and one-third for rubber.

The food and beverage industry plans a 10% increase in 1959. The preliminary plans of textile companies indicate lower spending again next year—after a 35% reduction in 1958—but this is an industry that often makes upward revisions.

Skipping to 1960, the overall plant and equipment picture indicates further gains. Manufacturers' plans for capital spending in 1960 are already very close to plans for next year.

Additional projects are almost a sure bet to be announced as business continues to pick up. So actual spending in 1960 is almost certain to be higher than in 1959.

More than half of the industry groups, in fact, report that even now they plan to spend more in 1960 than in 1959. And plans for 1960 spending as reported in this survey are 5% above the plans manufacturing companies reported in the McGraw-Hill Survey last spring.

An interesting feature of capital spending plans for 1960 is that the machinery industry expects to pass the iron and steel industry in expenditures on new plants and equipment. Machinery companies' plans for 1960 are sec-

ond only to those of the chemical industry.

Non-Manufacturing Outlook

The picture for non-manufacturing industries is even brighter.

As a group, the non-manufacturing industries now plan to spend 2% more on new plant and equipment in 1959. Plans for spending in 1960 also are already higher than the total estimated for 1958.

The petroleum industry plans the largest increase in spending next year, 6% over 1958. Most of the rise in spending is planned for production, i.e., oil well drilling. Moderate reductions are planned for transportation (including oil pipelines), marketing, and refining.

Commercial business firms plan to increase spending by 4%. The increase may run higher than this if 1959 turns out to be a popular year for replacement of business autos and trucks.

A large share of spending in the commercial area consists of car and truck purchases by the proprietors of small stores and service establishments not covered by the McGraw-Hill survey. However, in the past, the survey has been an accurate guide to the plans of chain stores, banks, and insurance companies for large-scale commercial construction.

Railroads, after cutting their capital expenditures by almost half in 1958, now plan to spend slightly more (3%) in 1959.

In other transportation and communications industries, a 3% increase is planned also. Air transportation outlays will be up sharply because of the delivery of new jet airliners. Trucking and shipping companies also expect

to spend more. But less spending is planned by bus companies and communications industries.

Mining companies plan to decrease capital spending by 12% next year, the largest decline (23%) being in nonferrous mining. Electric and gas utilities report they plan to spend 3% less, but this is the only industry that is spending more on new facilities this year than it did in 1957.

Gas utility plans may be increased if there is a decision favorable to the industry in the Memphis case which is now before the U. S. Supreme Court.

Sales Outlook Also Bright

A closer look at sales expectations give, some further reasons for the brightening outlook on capital outlays.

Manufacturing companies on the average expect their 1959 sales to be 9% higher—in physical volume—than 1958. With increases in prices, the rise in dollar sales would be even greater.

The largest increase in sales (26%) is expected by the iron and steel industry which had an exceptionally poor first halfyear in 1958. The auto industry looks for a rise of 20% in sales next year, again following exceptionally poor sales through most of 1958.

Other increases higher than the 9% all-manufacturing average are expected by the rubber (11%), stone, clay, and glass (11%), and chemical (10%) industries.

The smallest increase expected in 1959 sales is in the transportation equipment industry, including aircraft, shipbuilding and railroad equipment, where a rise of only 2% is anticipated.

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Cerro de Pasco Planning to Acquire Assets of Consolidated Copper Mines Corp.

New York—Cerro de Pasco Corp. has announced plans to acquire the assets of Consolidated Copper Mines Corp. Directors of both firms will consider the deal shortly and submit the plan to stockholders.

Consolidated's assets include cash, marketable securities, and majority ownership of two metal fabricating companies, Titan Metal, of Bellefonte, Pa., and Rockbestos Products, of New Haven, Conn. Titan's products are brass and bronze rod, forgings, and pressure die castings,

and aluminum forgings. Rockbestos makes wire and cable.

Cerro de Pasco operates copper, lead, zinc, gold, silver, bismuth and other non-ferrous metals operations in Peru.

Research Center Planned

Cleveland—Diamond Alkali Co. has announced plans to build a multi-million dollar research center near Painesville, Ohio, supplementing present facilities in Fairport, Ohio.

Haiti Troubles Drive Up Price of Essential Oils

New York—U. S. buyers today are paying up to \$1,000 a drum more for certain imported essential oils than they did a few weeks ago because of the political eruption in Haiti.

This is what Louis Dejoie, formerly Haiti's top essential oils producer, and now a political refugee, told McGraw-Hill's Chemical Week recently in an exclusive interview.

He said the new political regime under gun-toting Francois Duvalier, confiscated all his properties and those of other producers. Halted deliveries have re-

sulted causing fears of shortages and further price hikes in U. S. essential oils markets.

Essential oils are natural odoriferous materials obtained from grasses, bushes, and trees. Their chief uses are in foods and perfumes.

Nuclear Unit Formed

North Wales, Pa.—Teleflex, Inc. has established a separate Nuclear Division to handle the company's engineered control systems in the nuclear field. Eugene J. Messa, in charge of the firm's nuclear program for the past two years, was named manager of the division.

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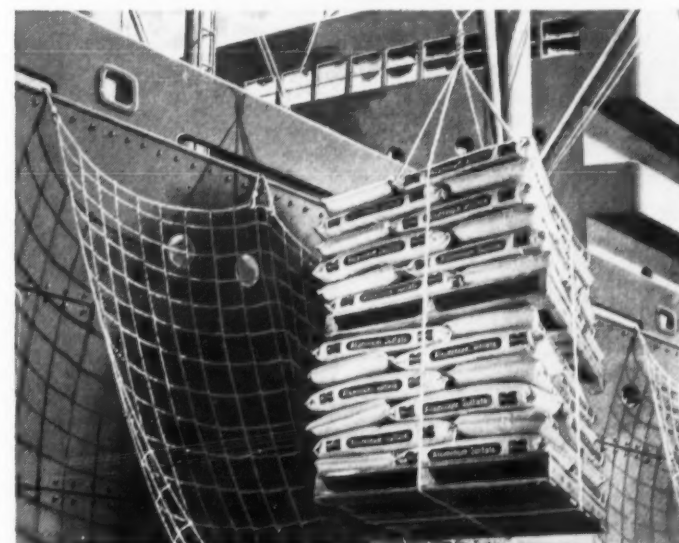
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Texans Buy Best, British Report

London—Texans buy only the best so don't give them anything else, British merchants and industrialists have been advised.

This flattering testimony to the high quality preferences of Texas purchasing agents as well as ordinary citizens of the Lone Star state appears in the latest edition of the Board of Trade Journal, a British government-sponsored weekly publication.

"It must be borne in mind that in offering goods to the public of Texas," the journal said, "that by virtue of the industrial, agricultural, and political development of their industry they, in common with the other people of the United States, have perhaps the highest standard of living and the greatest purchasing power in the world."

"Texas still regards the state of the world and its problems with a traditional independence of outlook which marked the pioneer days before the republic of Texas became one of the United States," the article stated.

Sulphur Industry Seeks Increase in Price

Calgary, Alberta—Sulphur industry voices that have been calling for a price increase spoke up in Canada last week.

F. E. Lewis, vice president of Jefferson Lake Petrochemicals of Canada, said sulphur would cost \$31.50 per long ton today instead of the present \$23.50 if sulphur prices had only followed the general chemical index.

Addressing the Canadian Institute of Mining and Metallurgy here, Lewis said the price of sulphur is only 30% over the level of 1937 while price index for chemicals in general had risen 70% in the same period.

"An early price increase is needed to prolong the life of every present source of pyrites and elemental sulphur," Lewis said. He also urged higher prices to encourage development of new resources and new production facilities.

Australia Cuts Export Of Iron, Steel Scrap

Melbourne—Australian authorities have reduced the export quota for iron and steel scrap in 1959 to 60,000 tons. The quota was 80,000 tons in 1958.

The reduction resulted from increased requirements of the expanding local steel industry.

Permits to export will be issued without regard to quotas for tinplate clippings and steel scrap derived from the de-tinning of such scrap, for scrap iron and steel derived from the cutting up of ships and hulks, and for scrap obtained north of the Tropic of Capricorn.

German Auto Output Up

Bonn—West Germany expects to produce 1.5 million vehicles this year compared with 1.2 million in 1957, again making her the world's second largest automotive producer. At the present export rate 750,000 vehicles will be exported, according to the Association of German Automotive Industry.

This Week's

Foreign Perspective

NOV. 10-16

Paris—The outlook for the free trade area agreement by January—when the European Common Market is slated to go into effect—seems dim.

Paris negotiations between Common Market nations and other European countries wishing to form a free trade area avoided complete breakdown only as a result of a last minute compromise.

Current O.E.E.C. Paris negotiation has highlighted the different approach being taken by French and British toward F.T.A. concept.

British regard scheme as step toward free and open trade between Europe and rest of world.

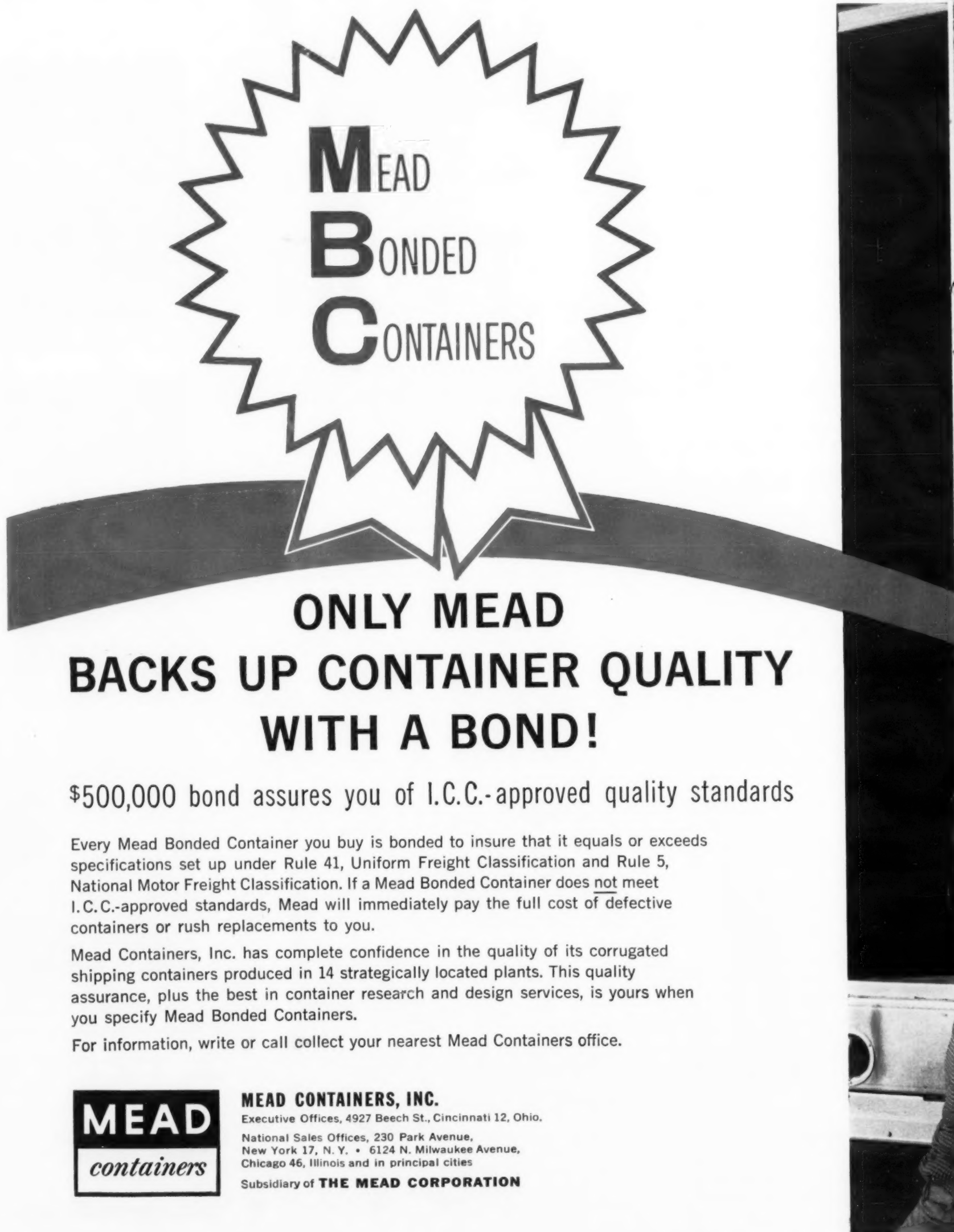
French privately admit they would accept plan only if it were more "inward looking" toward Europe. French argue that common market—and larger free trade area scheme—if to be successful must at least in beginning insist on protectionist tinge.

London—British purchasing agents will have some tough buying decisions to make in the months ahead. That's because no clear business trend is yet apparent.

Chief uncertainty in Britain today is how far recession will deepen before expansionist policies start having their effect.

There's one school of thought which reckons that the government may be moving too fast in efforts to prop the economy. What's feared in this context is that England will move from a short, sharp recession into renewed inflationary conditions.

Commodity-wise, all this indicates a prolonged period of uncertainty in British markets.



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Business Is Improving, Power Sales Indicate

New York—Business is improving. This was indicated by a report on August (figures run about three months later), consumption of electricity released by Edison Electric Institute. Correlation between these sales and over-all industrial output has always been close.

Sales to large light and power consumers (these include all major and medium-size industrial concerns) were 23,375,000 kw. hr. This was only 2.7% below the 24,026,000 kw. hr. reported for August 1957.

In comparison with last year May 1958 was 7.7% below, June 5.8%, and July 3.5%.

Small light and power sales (small industries and commercial) have been running ahead consistently. May was 4.6% ahead of last year, June 6.1%, July 3.8%, and August 8%.

State Government Saves Local Units Money

Albany, N. Y.—The State Division of Standards and Purchase says its contract buying plan is saving about \$2 million a year for local governments and school districts in the state.

In reporting to Governor Averill Harriman, Commissioner of Standards and Purchase Charles H. Kriger said 755 local units, including 459 school districts, are participating in the program. Savings on gasoline alone had exceeded \$640,000, he said.

"More than 8 million gal. were purchased at our contract price of less than 13¢ a gal., compared with a price of 21¢ a gal., which was the lowest any of them had been paying before," Kriger told the governor.

"Tremendous savings" have also been made on electric lamps, fire hoses, power mowers, spark plugs, anti-freeze, and office supplies, said Kriger.

Fibreboard Reorganizes Purchasing; Specializing Theory Emphasized

General Office to Establish Company Policy;
Building Firm Merger Made Changes Necessary

San Francisco — Fibreboard Paper Products Corp. has just reorganized its purchasing department to assign major product buying responsibilities on a specialist basis.

With the general purchasing office setting policy and establishing major purchasing commitments for Fibreboard and its sub-

sidaries, buying of related products, materials and services utilized throughout the company will be concentrated in the hands of specialist buyers.

New regional purchasing offices have been set up at San Francisco, Los Angeles, and Emeryville, Calif., to obtain supplies used continually at the various Fibreboard locations and which can be obtained most efficiently in local markets.

Ben A. Wilson, director of purchases, said the product-based organization will have a two-fold effect.

"First, it will provide required buying skills through specialization by those responsible for related product purchases. Second, it will enable a vendor to readily determine the appropriate Fibreboard buyer for his product," Wilson explained.

Reorganization of Fibreboard's purchasing department became necessary following the 1956 merger of the paperboard and packaging firm with Pabco Products, Inc., a building materials producer.

Fibreboard's general purchasing headquarters will be located at the company's executive offices in San Francisco. The staff organization includes a purchasing agent for raw materials and a buyer of pulp and paper; a purchasing agent for services and supplies assisted by a printing and office supplies buyer and a buyer for buyouts and specialties; and a purchasing agent for construction and equipment assisted by a machinery buyer.

A staff supervisor is responsible for procedures.

Texas Atty. Gen. Cites Price Fix on Shells

Austin, Texas—Texas authorities are zeroing in on another set of suppliers in their investigation of alleged identical bidding on materials purchased by local, county, and state government agencies.

Texas Atty. Gen. Will Wilson recently filed an anti-trust suit against six Houston suppliers of oyster shells for road building. Other suits already filed involved liquid chlorine and alleged collusion in fixing tankwagon prices for gasoline, (see P.W., Oct. 20, p. 22).

The latest court action accuses the firms of submitting identical bids to cities, counties, and the state highway department on shell contracts. "This involves a great deal of money," Wilson said. "For instance, in Harris County alone more than \$1 million worth of oyster shell is sold through public bids each year. There are more than 400 instances of all bids being identical—this is more than a coincidence and a happenstance," he asserted.

The suit asks that the companies be enjoined from making any price-fixing agreements and be required to pay civil penalties from Jan. 1, 1954 to date (the penalties could run from \$50 to \$1,500 a day).



Milwaukee Association Hears Talk By Sir Leslie Munroe on the U.N.

Milwaukee, Wis.—The international flavor prevailed at the October meeting of the Milwaukee Association of Purchasing Agents when Sir Leslie Munroe spoke to the group on "Is Peace Possible Through United Nations?"

Sir Leslie, statesman from the United Kingdom, recently retired as New Zealand's Ambassador to Washington and as the United Nations president.

While the United Nations is principally a forum for debate and a place where world public opinion can make itself felt," he said, "its influence on the history of recent years has been a vital one. Also," he continued, "the United Nations is an instrument that can be used for the preserva-

tion of peace and has been, especially with countries that respect world opinion as in the Suez situation."

He further stated that the U.N.'s role in the present dispute over the Chinese off-shore islands should be one of watchful waiting.

"The Middle East problem is difficult because the great powers can't work out the final solution. That must be done by the states in the area themselves."

Baltimore Product Show Attracts 2,000 Persons

Baltimore—Over 2,000 visitors attended the 16th annual Manufacturers' Products Exhibit sponsored by the Purchasing Agents Association of Baltimore.

First and second prize trophies were awarded to the most attractive booths and the most informative booths at the three-day show. Winners of the most attractive booth awards were first, Budeke's, Inc., pictured at right, and second prize to W. L. Reynolds Co., left.



Tulsa P.A.'s Scholarship Presented to Buchanan

Tulsa, Okla.—The Tulsa Purchasing Agents Association has awarded Jerry Buchanan, senior marketing major at the University of Tulsa, its Harold M. Cosgrove Memorial scholarship for the school year 1958-59.

The \$500 scholarship is awarded annually to an upper-classman who has demonstrated an interest in purchasing as a career. Selection is made by the faculty scholarship committee of TU's school of business administration and approved by the board of directors of the Tulsa association.

Buchanan is a member of the student section of the American Marketing Association and the Society for Advancement of Management at TU.

Pittsburgh P.A.'s Hear Atomic Power Lecture

Pittsburgh—A Westinghouse executive spoke on "The Co-operative Approach to Atomic Power" at the October meeting of the Purchasing Agents Association of Pittsburgh.

O. C. Kebernick, assistant marketing manager for Westinghouse's atomic power division, said that Westinghouse and other "reactor makers" are hard at work trying to reduce the cost of atomic power and to develop improved designs.

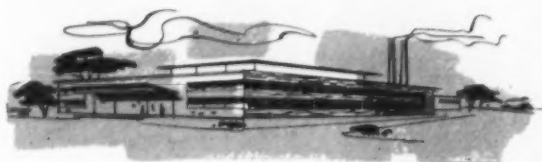
He emphasized, however, that the nation's utilities can contribute to the field of atomic power knowledge by allowing the use of atomic power stations for training and research.

S.B.A. Briefing Slated For A.M.A. in New York

New York—A special "briefing session" on Small Business Administration's plans to carry out the Small Business Investment Act of 1958 will be held here Dec. 1-2.

Conducted by the American Management Association, the session is expected to attract several hundred individual and institutional investors interested in financing small enterprises.

Sen. John Sparkman (D-Ala.), chairman of the Senate Small Business Committee, will be the keynote speaker.



No Two Plants

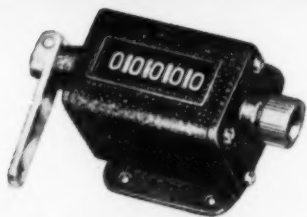
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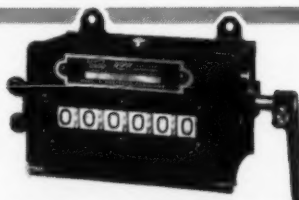
Sure, everybody's manufacturing problems are "different." But when these problems involve mechanical or electrical *Countrol*, they can *all* get the right answer from the same man . . . the Veeder-Root Distributor.

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A compact, rugged reset counter for moderate duty in parts inspection, quality control, conveyors, machine tools, light presses, etc. Dimensions: 1 3/4" long, 1 1/8" high, 1 1/16" wide. Speed: Up to 1000 counts per minute.



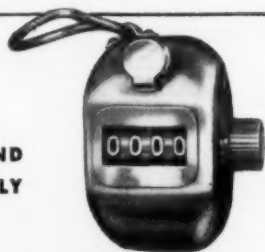
BOX-TYPE RESET COUNTER

For punch press installations, conveyors, metal-working equipment, die casting, plastic-molding, rivet, spring and wire machining, or any installation requiring a heavy duty counter. Dimensions: 4 1/4" long, 2 3/32" high, 3 3/8" wide. Speed: 500 counts per minute.

RESET MAGNETIC COUNTER

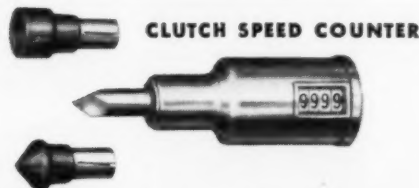


For remote indication of machine operation from plant to office. Dimensions: 3 1/16" long, 2 1/2" high, 1 1/8" wide. Speed: Up to 1000 counts per minute. Coils: 110V-AC are standard. Other voltages are available. Panel mounting feature also available.



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For quick spot-checks of production or performance. Dimensions: 1 1/4" long (to end of reset knob), 1 1/4" deep, 2" high. Counts one for each depression of the thumb lever, and resets to zero by a turn of the knob.



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Pallet Container Sizes Due Jan. 1

New York — Purchasing and traffic departments following the trend toward containerized transportation can expect to learn the standards set for pallet container sizes around Jan. 1.

An industry group named by the American Standards Association is reported to have progressed far in its assignment to standardized pallet, van, and cargo containers.

The shipping container committee (P.W., Aug. 4, p. 1) is expected to hold its second general meeting early in January to hear reports from four subcommittees. The pallet container subcommittee is expected to have its suggested standards ready.

A special A.S.A. sectional committee recently completed whittling down almost 200 pallet sizes into 11 standards. The proposed standards have been submitted, and A.S.A. approval is expected shortly.

This has given the pallet container subcommittee a head start, since it will merely have to follow these pallet sizes with some variations. The problems of container height and hold-down devices are not expected to be too serious.

The report of a subcommittee studying the possibility of an international system of container interchange is also eagerly awaited. This is felt to be one of the most important aims of the entire container committee, developing an economical international transportation system through the use of containers.



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The possibilities in containerized transportation were further pointed up at the annual convention of the Propeller Club of the United States in San Francisco last month.

A dozen transport executives representing steamship, railroad, trucking and air operations, participating in a panel discussion, predicted a new age of container transport in ocean shipping.

They pointed out that containers have radically reduced cargo handling costs.

Roy Fruehauf, chairman of the Fruehauf Trailer Co., pointed out that shiplines already using truck trailers as containers found the new method 25 times as efficient.

Bureau of Ships Demanding That Bearings Be Packaged Transparently

Washington—The Bureau of Ships has issued a specification requiring manufacturers to package bearings in transparent plastic. The regulation will govern future Navy purchases and may suggest to industrial bearing buyers that their companies could benefit from a similar requirement.

The Navy's plastic packaging regulation applies to bearings utilized in all types of shipboard equipment from missile launchers and navigational aids to garbage grinders in the galley. A modern fighting ship has radar, fire control, electrical generating, and

other equipment which requires as many as 1,000 different bearings varying in size from 1/8 inch to 50 inches.

Because ships must carry plentiful supplies of spare bearings, inventory storage of bearings became a multimillion dollar problem, especially when several Naval supply centers reported an appreciable percentage of stock samplings to be unserviceable. Navy officials blamed this mainly on seamen improperly opening cardboard or tin bearing packages to check for size and type.

Packaging bearings in skintight, dust-free plastic transparent

containers eliminated needless package opening during a ship trial period extending over two years. First efforts to develop a new packaging method began in 1954. Naval technicians developed a process for producing a plastic package in which the bearing itself became the mold for making a plastic cover.

Known as vacuum forming, the method forces a cellulose acetate sheet under heat and atmospheric pressure to conform to the outline of the mold. The system is widely used throughout industry to form many common products and also for packaging.



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Copperply wire, offering you unmatched uniformity and service life, is available in the popular ASTM 30% and 40% conductivity grades. In addition, the precise control of the process permits the deposition of lighter coatings with the same degree of concentricity for varied electrical, electronic and mechanical applications where less copper is required. Copperply wire can be custom-produced to the copper thickness to give you the exact degree of conductivity or corrosion resistance required.

Write National-Standard, Niles, Michigan, for comprehensive Data Bulletin 202.

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WORCESTER WIRE WORKS, Worcester, Mass.; music spring, stainless and plated wires, high and low carbon specialties • REYNOLDS WIRE, Dixon, Ill.; industrial wire cloth
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Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGraw-Hill's National Newspaper of Purchasing

Print Order This Issue 26,667

You Are as Important as You Think

Most persons when they are first introduced to the "case history" method of studying have the same reaction. They first believe that a solution to a given case is simple. After all, a businessman who is used to solving problems immediately reaches conclusions and makes a decision based on these conclusions. However, after exposure to discussion, case history students suddenly realize that the other fellow has "solutions" that are entirely different but equally as good or logical. This generally comes as a shock and is the preamble to an important premise in case history discussions:

There is no one absolute solution to a business problem.

Solutions come from the way in which you look at a problem. Take the case of the two assistants of a stone mason who spent most of their working time moving stones from one point to another. When questioned as to what they were doing, one replied that he was "moving stones." This was just as he saw his job. The second, however, saw his job in a different light. He replied, "I am helping to build a cathedral."

Working as a purchasing executive is a far cry from being a stone mason's assistant, but the philosophy is as good in one case as in another. Just the other day a purchasing executive complained that management looked on his operations as a routine, unimportant department. This purchasing agent blamed no one but himself.

A year previously his company employed a management consultant firm to study the company's entire operations. As part of the study, purchasing of course, came under scrutiny. The interview of the purchasing executive by one of the consultants was very brief. In the mistaken belief that to give the consultant information about his job was a sign of weakness, the purchasing man "sold himself down the river." He described his work as routine. He did this, he said, because he did not want to take the time out from his work to explain the importance of that very work.

It's true that the consultant was doing a superficial job; he should have probed more deeply. But while we cannot control the actions of others, we certainly should be able to control our own. And, most certainly, we should look our problems in the face. Why should we be hesitant in explaining the overall importance of a purchasing department to a company's operations?

If you yourself do not think your work is important, it is highly unlikely that anyone else will. This is not just a question of "to be big, think big." It is a question of what you believe; and if you believe your job is important, it will be. There are many ways to look at every case; study these ways, everything is not just black and white.

P.A.'s—There's Plenty of Buying Ahead

Purchasing men who are not just doing a routine job will get a lot of encouragement from the latest McGraw-Hill survey on corporate plans for purchasing new plant and equipment in 1959 and 1960 (page 1). Business will continue spending for these at a rate that can be called nothing but high. And if this is true, it can mean but one thing: The purchasing executive will have plenty of buying to do that will increase his stature.

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Your Follow-Up File

Savings Equal? Sales

Dayton, Ohio

I need to know the ratio which is accepted over the country of savings in purchasing compared with the amount of sales equal to the amount saved. Is the ratio as high as 10 to one?

By this I mean does it take \$10 in sales to equal \$1 saved in purchasing. I know there are various scales published from time to time, but I can't put my hands on any recent publications showing this type of information.

Also advise if your magazine has published any charts showing the salary ranges of purchasing agents or any surveys covering same.

Gene O'Neil

Purchasing Agent

Monarch Marking System Co.

• We don't believe there is any one figure that is accepted country-wide on the ratio of savings in purchasing to sales. However, for purposes of discussion you can use this formula: According to the S.E.C.-F.T.C. Quarterly Financial Report for All Manufacturing, there is a 7¢ profit (before taxes) on each \$1 of sales. This would mean you have to make a \$14 sale to obtain a \$1 profit. A \$1 saved in purchasing equals \$1 in profit, therefore, the ratio could be 14 to one.

Salaries are discussed in our "Typical P. A. Uncovered by P. W.'s Survey," Oct. 20, p. 1.

School P.A. Boosts Article

Sacramento, Calif.

In your Sept. 29 issue you featured a chart and an article on the selection of copying machines ("Select Your Copying Machine After Studying These Detailed Descriptions," p. 19 and "Copying Machines Will Reproduce Written Matter Quickly and Cheaply," p. 18).

Your study appears interesting enough for us to want to circulate copies of it to members of the California Association of Public School Business Officials. May we have your permission to reproduce and distribute same?

Harold M. Raphael

Purchasing Agent

Sacramento County Schools

• Permission granted.

We Agree, Price Isn't All

Huntington, W. Va.

In reading a recent "This Week's Price Perspective" column, I noted with considerable interest the last section which starts out "but perhaps the best safeguard against inflation is you, the buyer of your firm's materials and suppliers."

Would it be possible for you to point out to purchasing agents the necessity of permitting their sources of supply to make an adequate profit so that they may continue to be sources of supply? "Individual skills as a purchasing executive" include other things than being skillful in beating down the price of a commodity.

Certainly top management is going to measure the effectiveness of a purchasing agent if it is possible to do so.

However, I think it would be of benefit both to the purchasing profession and to the management of sources of supply to point out to them that price is not the only yardstick by which performance should be judged.

I was also interested on your lead editorial ("Prices and the Purchasing Man," Sept. 8, p. 10) and the replies to the week's question, "Does Purchasing Have an Obligation to Uphold the Pricing Structure of an Industry," p. 11. I am still of the opinion that your magazine can do a great service by continuing to hammer away at this theme of "lower prices not being the only way for a purchasing agent to reduce costs."

C. McD. England

Vice President and Treasurer

Logan Hardware & Supply Co., Inc.

Why We Ignore Food Prices

Philadelphia, Pa.

A question for you—why are food products omitted from your weekly commodity index?

G. R. Miller

Purchasing Agent

Tasty Baking Co.

• This index is designed to serve as a sensitive "economic" barometer—signalling changes in the business climate. Changes in food prices might reflect "non-economic" factors and could distract interpretation of fluctuations. For example, a drought might push up price of grain, but it would hardly signal the beginning of a general business upturn.

Which One to Join

Hopkinsville, Ky.

We enjoy PURCHASING WEEK very much and are one of the charter subscribers. We have found it most helpful, and it certainly supplies us with very interesting and worthwhile information.

As our electric distribution system is located in a town with a population of approximately 25,000 people and a town which does not have a large number of manufacturers, there is no purchasing agents' organization here. I doubt very much if there could be enough interest created to justify such an organization in view of the small manufacturers.

I would appreciate very much your giving me the names and addresses of the official purchasing agents' organization in Evansville, Ind., or Nashville, Tenn., in order that we might consider placing an application for membership in one of these towns.

Howard Wiggins

Manager

Pennyrile Rural Electric Co-operative

Interested in Scrap Article

West Bend, Wis.

We would appreciate very much if you would send us five or six tear sheets from your Oct. 13 issue covering the article on scrap handling ("Scrap Price Differential Depends on Dealer's Cost to Get It to Market," p. 12 and "Scrap Handling Systems Vary by Industry," p. 14).

N. A. Schowalter

Vice President for Purchasing

West Bend Aluminum Co.

PURCHASING WEEK Asks You . . .

If a salesman of a reputable firm calls on your employer instead of you, what would you do?

Question asked by: Joseph Lichioveri, Purchasing Agent, Walker Engraving Corp., New York



T. E. Burson
Orkin Exterminating Co., Atlanta

"If a salesman who has contacted me without success calls on my employer as a means of applying pressure, he is building up resentment not only for the present but for any future contacts. Usually when my employer is called on directly, the salesman either does not understand our purchasing procedure or he is acquainted with my employer and is contacting him to arrange an introduction to me."



W. R. Ferguson
The Barden Corp., Danbury, Conn.

"Occasionally, this has occurred, but, after a brief interview, the salesman is referred to purchasing. Some salesmen through the years have built a rapport with top executives, and they occasionally exchange social amenities. It sometimes happens, business is discussed at this level. When this comes to my attention, I bring this procedural deviation to the executive's attention and not to the salesman's."



M. D. Balz
McCammon-Wunderlich Co., Inc., Palo Alto, Calif.

"I feel I would be very hesitant to ever buy this salesman's product as he should have come through the proper channels to begin with. I believe the only time that a salesman should go to the employer is if the purchasing agent recommends it or if he has a product of similar quality to one now being used and at a substantially lower price and the P.A. would not consider it."



W. H. Romine
Oscar Mayer Packing Co.
Davenport, Iowa

"Salesmen are as a general rule funneled through purchasing. If they have information pertinent to other departments, these departments are contacted by us; and an appointment is arranged. Where salesmen have had close contact with the plant manager, I believe, as in my case, they have contacted the plant manager directly. He, however, always sends the salesman to us."



Allan Albert
Industrial Supply Corp., Tampa, Fla.

"This problem occasionally arises with a salesman who is making his initial call. After he is very diplomatically referred back to purchasing, I explain that all purchases are handled through this department and he would do better to check with us first in the future. This usually gets the idea across, and the practice is discontinued. For the few who refuse to heed this, however, the door of welcome rapidly closes."

H. D. Beebe
Key System Transit Lines
Oakland, Calif.

"I would talk to the man in our firm, not the salesman. The best way to show a salesman he shouldn't bypass purchasing is to make sure the person he approaches sends him to purchasing immediately. This can be accomplished by having top management issue a bulletin that purchasing will conduct and conclude all negotiations affecting purchases, prices, terms, deliveries, etc."



H. E. Canada
American Petrofina Co. of Texas, Dallas

"Most of the salesmen we do business with are aware of and understand our policy of first calling on purchasing. However, if a salesman calls on my employer first and is subsequently directed to my department, I would: 1. Evaluate the basis for his having called to see my employer instead of me and comment accordingly. 2. Receive him courteously and expeditiously, allowing him a reasonable time to make his presentation."



How to Get More Out of Purchasing Week

Readers Require Captions to Get Greatest Value Out of Pictures

Pictures are a form of communication, nothing more. But because they are, every progressive trade publication pays strict attention to them.

But unless pictures are carefully selected and used with equal care, they are a liability instead of an asset. There is an old saying that, "A picture is worth 10,000 words." Actually the value of a picture depends on the caption that goes with it. Without one, few if any readers can get very little meaning out of any picture.

The important job of a caption is to tell what a picture depicts and what to look for in it. That is why PURCHASING WEEK editors spend so much time in writing captions. To be honest most would rather write a five-paragraph story than a two-line caption. The former is easier.

Pictures are of two kinds: stills and action. Stills include such pictures as those of individuals (see this page) and of new products. They are used to show readers the appearance of a person or a product. Some readers save pictures of individuals and study them. When they go to conventions and meetings, they can recognize the men, just as we can recognize the people so often pictured in newspapers.

Action pictures are so called because they depict action. These are difficult to get. The photographer must know in advance when the action is going to take place. Then he must be there and have his camera ready.

Sometimes it is possible to tell a story with pictures and captions. P.W. runs most of these picture stories as centerspreads because such treatment provides a better presentation for readers.

It has been the experience of P.W. editors that most purchasing agents do not realize the publicity value their own pictures can have. While salesmen are always eager to have their pictures publicized in reputable journals, P.A.'s often shy away. In fact many of them haven't had a picture taken in a number of years.

P.A.'s in large companies which have their own cameramen can usually get a picture taken without cost. Copies of this picture or at least the negative is kept in the company files. Copies can be made quickly.

In smaller companies, the publicity director can usually arrange to have the P.A.'s picture taken. Or he can often arrange with a newspaper photographer to take his picture and supply him with a dozen copies. The

charge for this is often very modest. Some papers will charge only for the prints if they are allowed to keep a copy for the paper's files.

Publications advise every newsworthy person (and this definitely includes purchasing men) to have a picture taken at least every three years. When you are 40, that picture taken for your college yearbook is a bit outdated. The picture should preferably be 8 by 10 in. although a 5-by-7 is fairly satisfactory and cheaper.

Most important of all, the width of your head should not be more than half the width of the picture. This enables the editor to fit it in any space he desires.

One other detail appreciated

by editors is don't wear a handkerchief in your left coat pocket and avoid badges and lodge emblems on your coat lapels. The editor may want to "flop" your picture so that your face is pointing in the opposite direction. The reader can't recognize this "flopping" unless he can tell right from left by some such sign.

But above all avoid sepia prints and expensive cabinet mountings. Publications like best of all sharp, clear, inexpensive pictures that reproduce well—the famous newspaper glossy.

No picture should be sent out without a caption even though it is just a formal picture of one individual. Pictures of individuals are best identified by typing the person's full name including his middle initial and his title and company on a gummed label and pasting it on the back of the picture at the bottom. Never write on the back of the print, except a single line at the very top or very bottom, because the writing is likely to show through and ruin the print.

Pictures of groups or action pictures are best identified by typing the caption on a separate piece of paper and glueing it to the back of the picture at the bottom. This caption can then be folded around the bottom to cover and protect the front of the print. Never attach captions with staples; they often ruin the print.

And pictures should never be folded or rolled. Ship them flat between two pieces of cardboard to keep them from being bent in the mails.

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P.A.'s and Salesmen Meet at P.W. Ro

To improve buyer-seller relationships, the P.A. can:

- Call a meeting with engineers when salesman has good idea.
- Make a tour of supplier's plant to learn capabilities and iron out contract details before deciding on major contracts.
- Keep an open door—and open mind—for salesmen who have something valuable to offer.
- Establish a vendor rating system which offers constructive criticism.
- Help supplier's own purchase planning by forecasting future requirements.
- Let salesmen know how often he should call.

The salesman can:

- Take the responsibility for keeping the buyer informed of any changes that alter promised deliveries.
- Sell the idea to all of his company's departments that all orders are important no matter their size.

Four Purchasing Men and Three Salesmen Made These Sig



"There is no such thing as long-winded salesmen—only long-listening buyers."—Jacob Frehner, Purchasing Agent, Bowman Dairy Co.



"The initiative should be on the part of the seller either to revise promises or keep the buyer aware of not meeting delivery dates."—Robert Buddington, General Sales Manager, Inland Steel Co.

Moderator: Those who buy and those who sell have really the same objective—a good relationship built upon mutual trust, and service, in which both will profit. If there are problems today that prevent this relationship that should exist between buyer and seller, what are they, and what can we do about them?

Mead (P. A.): To me the most important thing in good buyer-supplier relationship is attitude. The Sales Department is the right arm of the Purchasing Department and its only contact with its vendors. Sales must perform that function to the best of its ability without coercion or need of direct contact by the purchaser.

Buddington (S. M.): I think sales people agree they must offer something important, helpful, or economical to purchasing in order to warrant attention and time. But the fundamental services that should be offered by a supplier vary considerably with how technical a business is, the type of product that is standard, and the pricing set up.

Moderator: But are the perennial gripes of purchasing agents worse today than they were—say, three years ago?

Jasch (P. A.): You have to break it down into categories. Take a manufacturer's agent as an example. He may—to put it quite bluntly—be just an order taker. But I feel the day has come when technical know-how has got to be part of the salesman's pitch. In our company, if the salesman has something that is of interest to us, we'll immediately call for engineers to participate in the meeting. If the man doesn't know his business, he is absolutely lost and has wasted his and our time.

We look upon salesmen as an asset, when they're good men. Let's take a steel salesman. He keeps us abreast of market conditions, whether we should do forward buying, labor conditions—whether there's a possibility of a strike. We have respect for the fellows that can help or guide us in making the right type of decisions.

I like a salesman that's got enough authority so that he can make on-the-spot decisions when you're in trouble. I want a salesman that knows what's happening between his company and our company as

far as deliveries are concerned. Just to ask how things are going doesn't mean anything to us. If he comes in, he should know what's going on, how his company is performing, what kind of service they are rendering us.

Moderator: These are things that you want?

Jasch (P. A.): In general, yes. Regardless of the salesman, if the company doesn't give us what we want, we're doing business with the wrong company. We want a supplier that's capable of delivering to specification on time. Some companies put the burden of expediting on the buyers. They think it's your responsibility to find out the status of an order. I think in a period as we're in, it's strictly the seller's responsibility. It should be at all times.

Moderator: Have any of the others encountered similar troubles with salesmen that don't know the product or can't speak with authority?

Frehner (P. A.): Oh, unquestionably yes. All these criticisms here apply every day some place, to some salesman, in some territory. And I imagine the salesman could make an equally impressive list with his feeling towards buyers. Because beginning buyers can be awfully stupid, too.

These objections that are voiced here are isolated, but they're constantly with us. And I have one marked here—the business of going over the purchasing agent's head, salesmen seeing others in the company. It's a weakness on the part of the purchasing agent if the salesman makes contact with the president, and the president does the buying. The Purchasing Department hasn't sold itself or the merits of its function. If it did, the president wouldn't do the buying.

Moderator: Mr. Armstrong, do you agree or disagree with this?

Armstrong (P. A.): I agree with Jake 100%. I see the relationship between sales and purchasing coming closer and better every year. But there still are a few things that aggravate me. My aggravation is the salesman with authority who makes a promise and then doesn't keep it.

Particularly an item where we can't get deliveries.

Moderator: Is there something to say for the sales side, Mr. Holland?

Holland (S. M.): In reviewing this list of comments what stands out are delivery and quality.

I know that to be effective, a salesman has to know the product that he's selling. Secondly, he has to be performing a service to his customer. I certainly agree with the purchasing representatives that the service a sales organization performs is extremely important. It's fundamental in effective selling to be able to perform service as well as just furnishing a given product.

On the matter of delivery, I think there are two sides to the story. During the years of what we called the seller's market there was some deterioration in quality and in the attitude of sales people who were calling on purchasing agents. Now we're in a buyers' market, purchasing people are in the drivers' seats. All companies are keeping inventories at a lower level and are calling upon their suppliers to make faster deliveries, to make commitments that sometimes are not realistic. I think that to some extent, this situation can be alleviated.

Schedule changes on the part of purchasers are periodically expected by vendors. We understand that. But I think there should be, in some cases, a more realistic attitude taken by the purchasers towards the problems of the vendor. If purchasing agents can pre-meditate their schedule changes in discussions with vendors, it will give the vendor a better idea of what is his problem; so he can anticipate what requirements will be.

Regarding contacting the president or some of the officers of the company rather than contacting the purchasing agent—I think every salesman who is properly instructed should contact the purchasing agent.

However, it is important that salesman know other people in the organization, such as the sales manager or maybe the chief engineer. Many times sales personnel within the buyer's organization can tell us to a better extent what some of the problems are. Then maybe we can help.

Moderator: Do you get requirement schedules as Mr. Holland suggested, which enable you to deliver on a schedule basis? Or do you get spot requests?

Cott (S. M.): Generally speaking, I think most buyers have a tendency to think of their packaging requirements last, in setting up a schedule for production of a certain article.

But our company does not make a single thing until we sell it; whereas some companies can make and stockpile in some other warehouse. We are essentially a job shop operation. Each container is built to a specific size, carries a certain printing. And it becomes in a period of low inventories something everybody wants yesterday.

The largest customer we served last month asked us to deliver 65% of his requirements in three days or less. Meeting such quick deliveries involves tearing up a whole planned schedule for a run on corrugating equipment to take care of this particular person.

But we have other things to sell besides corrugated shipping containers. We instruct and train our men to know that anybody that packages anything, whether he realizes it or not, has some kind of a packaging problem. Therefore, we attempt to get into the plant, meet the production people, see how the item is packed, how the line is run, what the interpacking is. Then we can make a constructive recommendation.

Moderator: Which means that you have to contact somebody besides the purchasing agent in most cases?

Cott (S. M.): Yes, of course. But I don't think that the contact would be made over the purchasing agent's head. The only time I think that would be used is when an ingenious salesman finds an impasse and says, "I'll go around to the back door." Then, I think that there's some burden of proof on a buyer who doesn't allow a man to tell a story.

Moderator: I'd like to ask Mr. Jasch something on quality, which has been discussed here. Have you found in the last year that quality has decreased on many of your shipments?

Roundtable to Improve Buyer-Seller Relationships

Significant Quotations at Purchasing Week's Roundtable on Bettering Relationships Between Buyers and Sellers



"I see the relationship between sales and purchasing becoming closer and better every year."—Walter Armstrong, Director of Purchases, American National Bank & Trust Co.

"If we're going to do the kind of job most P.A.'s want, it involves giving us a look at the plant so that we can come up with more than a pepped-up price."—Walter Cott, Sales Manager, Container Corp. of America.

"The supplier has to be honest with us. That kind of man is hard to knock from our supply list."—John Jasch, Purchasing Agent, Victor Adding Machine Co.

"The purchaser should take a more realistic attitude toward problems of the vendor."—William Holland, Asst. Sales Manager, Construction Equipment, International Harvester Co.

"I think that a buyer as much as a salesman should respect the other's limited interview time."—C. R. Mead, Purchasing Agent, Furnas Electric Co.

Jasch (P. A.): Quality is gradually improving. There was a period when there was some deterioration. Victor Adding Machine is now starting what is called a report card system on vendor quality performance. With us quality is a prime requisite; ability to deliver on time is second.

We make it a point periodically to ask our vendors how much lead time they reasonably need to deliver the quality products we need. The lead times that we often get back are ridiculous. The buyer knows how the vendor performs, but the eager beavers in the order department receiving the request want their companies to look good. They may need four weeks' lead time, but the letter will come back one week. Now we know he can't do it.

Cott (S. M.): Do the people that answer the questionnaire honestly live with the promise they make?

Jasch (P. A.): The majority do. They know what's required and indicate fairly accurately the amount of time they need. This we publish as a lead time list which becomes the production boys' bible. We do ask that the lead time be held down as close as possible and still enable them to deliver on time. However, we expect also to have a supplier be a friend of ours in times of fast scheduling. We are victims of changing production schedules too.

Moderator: Do you feel that many of these problems mentioned here come from quick production changes which affect quality?

Jasch (P. A.): In some cases yes, but we try to be realistic. We try to know what the supplier's problems are. If the time given to him isn't sufficient, we can backtrack and maybe stretch it. But he's got to tell us.

Moderator: He's got to be honest with you?

Jasch (P. A.): He's got to be honest with us. That's one word I like. He's got to give it to us straight or honest. Fortunately, the vast majority of suppliers that we do business with have earned the right to get the business. They give us

what we want, know what our product demands, and help us in pinches. That kind is a hard man to knock from our supply list.

Buddington (S. M.): I want to ask the purchasing people two general questions. First, do they prefer that salesmen make an appointment ahead of time? Second, do they feel in general that salesmen stay too long or short a time?

Armstrong (P. A.): In my particular case I don't believe that an appointment is required. But I do find that the salesmen have a tendency to stay too long.

Moderator: You have an open door policy?

Armstrong (P. A.): An open door policy, and we don't have hours.

One thing I might mention about deliveries. One company that I do business with has what is called a "promise order form." When they create this promise order form, the chairman of the board, if necessary, will carry it out regardless of what it costs them. When they say that they are going to make that promised order at 3 o'clock in the afternoon tomorrow, it's made.

Moderator: Mr. Mead, do you want to answer for your company?

Mead (P. A.): We maintain an open door policy. We restrict the hours from 9:30 to 3:30 to allow a good beginning in the purchasing department and to allow us to get the orders out at night. However, we treat each salesman with respect, understanding that he can be of help to us. I think that a buyer as much as a salesman should respect the other's limited interview time.

However, my biggest beef with the sales organization of certain vendors is the passive attitude often taken on long-term orders. It gripes me particularly when we have given the advantage of a long lead time to find the sales department ignoring it and allowing the date to pass without any indication of changing schedules until the purchasing department finds out by expediting. We have to maintain one man, whose job is to expedite vendor sales promises.

Buddington (S. M.): I guess even the sales people here will agree that the initiative should be on the part of the seller to keep the buyer aware of when you're not going to make a delivery.

Cott (S. M.): We don't always do it, but I think it's an objective that even selling will agree to. On the other hand, you've got people with emergencies who come in and that can disrupt a long lead time order you've got.

Frehner (P. A.): In our company, we do everything we can to keep panic out of this thing, particularly a kickoff on a new supplier or a large program. Why, the number of meetings we have is endless—between engineering, purchasing, the sales people, the designers. But there was a time when somebody in our sales said, "We have to have a new carton, and we've got to have it by Sept. 1, and here it is July 1." Two months is no time for re-design, for getting all the pieces together to get a new carton on the market. But they used to do that, and everybody went crazy. It's strictly a matter of understanding the other fellow's problem. If you don't know how a supplier's plant functions and what his problems are in purchasing, then you're not doing an adequate job of representing your supplier to your management. We just had a situation where a quarter of a million cartons were discovered in the warehouse of our manufacturer. In reporting their plant inventory to us, they had completely lost them until we came to a package change and a cancel-out. Then suddenly they came to life. Our attitude was: You're off base, but we'll see what we can do to help you bail out. We're going to our management to see if we can't move back the carton change on this particular thing.

Mr. Holland made the statement that his people like to know people other than in purchasing. God help the selling organization that only knows purchasing people and no one else. We feel very keenly the responsibility of guiding sales people through our company to the right people so that they don't waste a lot of time on an assistant engineer when they should be talking to the chief engineer, or production man, or quality control man. Then

when they've worked out all the details, they bring them back to us.

Moderator: In trying to help get better relations, Mr. Holland, do you encourage plant visits?

Holland (S. M.): We encourage customers to visit our plant. We like to show them what we have backing up the product in the way of manufacturing facilities and engineering organization.

Moderator: I often wonder, Mr. Jasch, how often purchasing appreciates that the purchasing department in its buyer's plant may have the same problems? Will a supplier's visit show this?

Jasch (P. A.): I might indirectly answer this question. When we're selecting a new source for a major type of item, a plant visit is made prior to him ever getting an order.

Holland (S. M.): Before you've decided on the supplier?

Jasch (P. A.): Yes. If we have a potential new supplier, we want to take all the water out of the build-up that the salesman has put into this thing. We want to know realistically what kind of plant we might be getting into. What their capabilities are, their shop handling, their house-keeping, no end to things. We want to meet the management, see the kind of company we're going to be doing business with.

Cott (S. M.): Who arranges that business? The head of the purchasing department?

Jasch (P. A.): It'll depend but, under any circumstance, a member of the purchasing department. He originates the trip and is then accompanied by an engineer, a processing man, or may be a quality control man. When we visit a plant to see what its facilities are, we also sit down with their estimating department to make sure there has been no misinterpretation of specifications that may necessitate a change in price later on.

Holland (S. M.): Is a report written up?

Jasch (P. A.): On every plant trip, a report is written with recommendations.

(Continued on page 14)

P.A.'s and Salesmen Meet in P.W. Roundtable

(Continued from page 13)

As a result of the trip, their personnel may then be called into our plant to sit down with a larger group. With steel, as an example, a metallurgist may be brought in. He'll sit down with the processing people to go over the fabrication problems. We also like to have their people visit our plant to see how this component is going to fit into our manufacture. This will remove all doubts that may lead to trouble later on.

All salesmen, regardless of what the product is, have to clear through purchasing. Then meetings may be called in the plant. In every case, the purchasing man sits throughout the meeting because he is the coordinator. No one makes commitments except through the purchasing department so that there's no possible chance for irritation of these relationships later on. And we recommend, in fact, it's our policy to visit these plants. We want our buyers and engineers to be familiar with the manufacturing processes.

Holland (S. M.): I'd like to add something to what Mr. Jasch has said. In many cases we initiate these visits and encourage the buyer to come into our plant. Recently we had that experience with a new account, where we now have become the sole supplier of a particular component. We had members of their sales organization, their general management, as well as engineering and purchasing. In this particular case, the product was a major component going into their product. We also find that many times it is beneficial for those individuals who handle our paper work, processing, and some of the correspondence to be acquainted with the man in the purchaser's organization. It makes a lot of difference.

Moderator: Do sales managers feel it necessary to supplement their salesmen by calling on purchasing agents? Do purchasing agents want sales managers to supplement their calls?

Holland (S. M.): I find that it's beneficial both from our standpoint, as well as the purchaser's, to call upon their organizations. I find, generally, from my own experience that purchasing people do appreciate someone from sales management calling on them. As sales managers we find we are then in a better position to know just how effective our sales people are. We find certain problems that we might not be aware of in our relations with the customer. Our plan is to visit about once or twice a year with the major accounts where we are the major supplier.

Moderator: Mr. Cott, do you have any comments to make on this?

Cott (S. M.): Yes. We work very closely with our salesmen for the territories are quite small in respect to Mr. Holland's. We like to know all of our major accounts on a first name basis. We like our plant manager to make a visit with our sales manager, and we press very strongly towards plant visitation by our customer or prospect. We find that a lot of big-time experienced buyers think that we make a pile of containers. Then when they call up, we ship them out the back door.

You might be interested in a cute little story regarding the open-door policy. I have a young salesman who had made four or five calls on this particular account and wasn't able to get by the receptionist. Last week, he told me that he wrote something on his card and gave it to the girl. She looked at it, came back, and reported: The guy said, "Well, send him right in." He'd written on his card, "I spoke to God this morning. Why can't I talk to you?"

I'd like to say that a lot of the accounts that we service get into delivery situations because of their sales departments. The buying department enters an order, then calls up on Monday and says, "Gee, we just got a big change over here. What are you going to do about it? Our sales department went out and did this, and we've got to have these containers instead of what we ordered." But we'll turn our plants upside-down to be understanding about those things, within limitations.

Moderator: Mr. Buddington made this point, and I didn't hear any disagreement from others on the sales side—that the supplier should take the responsibility for keeping the buyer informed of any changes that alter promised deliveries in schedule.

Holland (S. M.): I would agree with that 100%.

Cott (S. M.): I would, too. I endorse that, but I think quite often that it somehow doesn't get done that way.

Buddington (S. M.): We are in the process now of a three-year study, trying to figure out how we can make sure of putting a thousand orders through the mill a day and know which orders are not going through as promised. Today, the men in

our order handling system have to try to check all orders to find the ten out of the hundred, let's say, that aren't on time. It should be the other way around. We should have the assumption in our own system: Every order is on time until we are notified.

Cott (S. M.): We've instituted a system that goes beyond that because we're so much smaller. Each morning, we meet our production people, our sales management, our sales service, and what we call our planning department. We have a chart that shows where every order is in process through the plant. We realize fully how important it is to get the stuff there on time. Almost nothing is more important.

Buddington (S. M.): There's one thing that's helpful to us. Purchasing departments can give us a forecast or a prediction of what they think they'll need ahead. We talked about getting long order lead time. Sure that's helpful. But sometimes a man can't give you the order. But if he's honest with his principal supplier, he says, "I think in the next three months, we'll get this many tons of this and this many tons of this." Some purchasing people feel they're giving away too much information, or they may not be able to come through with the order. But that kind of forecasting to a sales department allows not only the salesman but everybody in the planning, forecasting, and production end to make some allowances for that order.

Jasch (P. A.): It falls under the broad subject of communication.

Holland (S. M.): Many times, we must have a good idea of customer needs in our sales department to give buyers an opportunity to go out and place orders on our suppliers. Because we don't manufacture the entire product (engines), we may be unable to meet deliveries to our customers because we have not properly anticipated requirements on our suppliers. It goes back again to the fact that we should have better communication with the people to whom we are suppliers. Then, in turn, we can transmit and translate that into requirements for people who are suppliers to us.

Moderator: Mr. Jasch mentioned a vendor grading system. From the sales angle, do you feel that this is a help—knowing from an outside source what your quality is?

Cott (S. M.): Yes. We get a couple of reports each month from customers evaluating the material they received from us. And certainly it is important. Any criticism of our quality in the long run has a constructive effect.

I think it sometimes opens the doors or opens the mind that wasn't open before.

Buddington (S. M.): That's true. It opens the door to a more scientific, objective appraisal of what's being offered quality-wise.

Mead (P. A.): I have a thought to inject here that hasn't come up yet. The sales department actually evaluates the importance of an order on its dollar value. The purchasing department would like to think, I am sure, that all orders are important for a small screw will shut a line down.

Holland (S. M.): All orders are important. Any company that looks upon a small order as not of as much consequence as a large order is very shortsighted.

Cott (S. M.): This is not always true of departments other than sales.

There is a tendency for production departments to want to get in and run that big stuff rather than small stuff. We operate on efficiency ratings too.

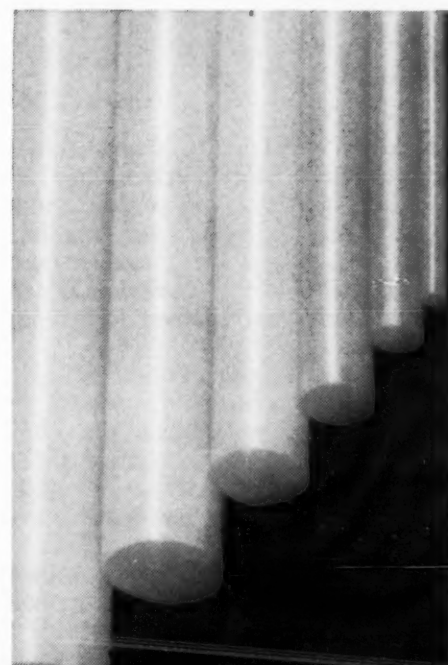
Buddington (S. M.): I'd like to make my last comment. We've talked for an hour and a half, and no one really has mentioned price the entire time. I don't misunderstand from a sales angle that it is not fundamental, because it is. But I

think that sales people exaggerate the fact that purchasing people are only concerned about price. No one has forgotten that the price must be right, but we in sales sometimes tend to exaggerate its importance as related to service, quality and the reliability, and some of the other things.

Frehner (P. A.): Mr. Buddington made a statement about long-winded salesmen. I just want to say this. In our company we are of the opinion that there is no such thing as a long-winded salesman. There are only long-listening buyers. As long as the buyer will sit and listen to a salesman, that's how long a salesman will talk.

Holland (S. M.): I would like to add one thought as to frequency of calls. We have instructed our sales people to find out from the purchasing agent how often he would like to have them call. It's very helpful if that can be decided between the salesman and the purchasing agent so that it saves the salesman's time. I'd like to throw it out for consideration to the purchasing people.

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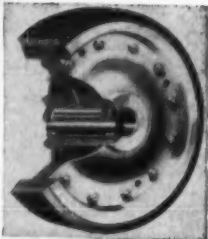
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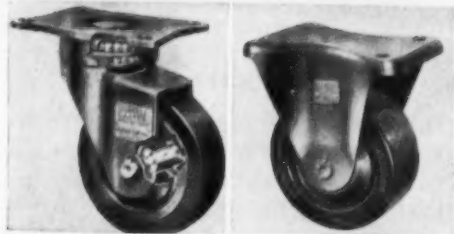


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O'Neill Succeeds Fendley As Humble Oil's P.A.

Houston—Haylett O'Neill, assistant purchasing agent, succeeds Francis T. Fendley as purchasing agent, Humble Oil & Refining Co.

Fendley, who retired after more than 39 years with the company, had been purchasing agent since 1945. He joined the firm as an engineer at Humble's Baytown Refinery and in 1933 transferred to the purchasing department as a assistant buyer. Fendley is a past president of the Houston Purchasing Agents Association (and was the subject of "A P.W. Profile," June 23, p. 8).

O'Neill joined the firm in 1934 and served as assistant purchasing agent since February 1955. He is both president of the Houston Purchasing Agents Association and vice chairman of the National Petroleum Industry Buyers Group of N.A.P.A.

Fred W. Rippon has been appointed chief purchasing agent at **Hiram Walker & Sons Ltd.**, Walkerville, Ontario, Canada. Rippon, who joined the firm last June, succeeds **Wilfred Downes**, who retired Sept. 30 after 32 years with the company.

W. Robert Bruce, formerly purchasing agent in subcontracting, has been made chief of subcontracting for **Convair Division of General Dynamics Corp.**, San Diego. **Lon F. Tubbs, Jr.**, has been advanced from buying supervisor to purchasing agent for high-value items.

George D. Nicholson, who had been a buyer in the purchasing department at The Cooper-Bessmer Corp., Mount Vernon, Ohio, the last six and a half years, has joined the **Cement-Coke Division, Diamond Alkali Co.**, Cleveland, as a sales representative.

Franklin H. Schultz has been promoted to director of purchases for **Haughton Elevator Co.**, a division of Toledo Scale Corp., Toledo. He succeeds **Everett W. Curtis** who retired; Schultz had been Curtis' assistant. **Howard Muntz** and **William Price** have been appointed buyers.

Homer Brock has been transferred by **Crown-Zellerbach Co.** from the Seattle office to the Portland district purchasing office. Brock served as chairman

of the Washington Purchasing Agents Association's Education Committee last year.

D. W. Boyles has been named assistant purchasing agent for the Northwest Division, **The National Supply Co.**, with headquarters in Casper, Wyo. Boyles, who had been in the division merchandising department at Denver, will handle all emergency purchasing in the Casper area for the division's oil field supply stores.

Herbert C. Doody has been promoted from assistant purchasing agent to purchasing agent by **Reliable Packing Co.**, Chicago. He succeeds **Crosby Brownson**, who now will devote full time to subsidiary companies.

George L. Teller has been advanced from assistant purchasing agent, foundry products and supplies, to purchasing agent, foundry products and supplies, by **Allis-Chalmers Mfg. Co.**, Milwaukee. He succeeds **Fred K.**

Schroeder who retired Sept. 30 after 16 years service.

Obituary

G. C. Kerr

Buffalo, N. Y.—George C. Kerr, 68, a buyer for The Worthington Corp., the last 18 years, died Oct. 20. He had been responsible for purchases of supplies for the Worthington foundry since 1941.

GAYLORD POINTS OUT

MANY WAYS YOU CAN SAVE IN PACKAGING

Gaylord uses a sharp pencil to survey your *total* packaging operation—checks those hidden costs that are frequently more important than the price of the box.

If you demand increased production, improved protection and important savings in corrugated packaging . . . call in your G-man. He'll help you erase any packaging errors, leave an indelible mark on the credit side of the ledger.

GAYLORD

CONTAINER CORPORATION

HEADQUARTERS, ST. LOUIS
PLANTS COAST TO COAST

DIVISION OF **Crown Zellerbach Corporation**



Thermalair Respirator

Protects Against Heat

Thermalair respirator provides protection against excessive heat. Respirator was developed to protect workers in areas where intense heat endangers health, such as in kilns and ovens where temperatures range from 150 F. to 300 F. Respirator cartridge contains a metal screen heat exchanger which absorbs heat when the user inhales.

Price: from \$7.90 to \$6.70. Delivery: immediate.

American Optical Co., Safety Products Division, Southbridge, Mass. (P.W., 11/10/58)



Strip Chart Planimeter

Portable

Model 52PA1010 portable strip chart planimeter integrates records produced on 4 in. wide recorders. Either linear or square root totalization is available by changing a characterized cam. Speed is set by a pressure controlled rheostat.

Price: \$600 (linear unit), \$650 (square root unit). Delivery: 6 wk.

Fischer & Porter Co., 808 Jacksonville Rd., Hatboro, Pa. (P.W., 11/10/58)



Time Recorder

With Unbreakable Crystal

Series 4,000 payroll and job time recorder has unbreakable curved crystal which protects the face and hands. Face is flush with the case, so that the time may be easily read from side to side. 4,000 series prints along the edge of a form, so that both payroll and job time cards may be used on the same recorder. Automatic registration is available.

Price: \$175 f.o.b. Atlanta, Delivery: immediate after 11/15.

Latham Time Recorder Co., 76 Third St., N. W., Atlanta 8, Georgia (P.W., 11/10/58)



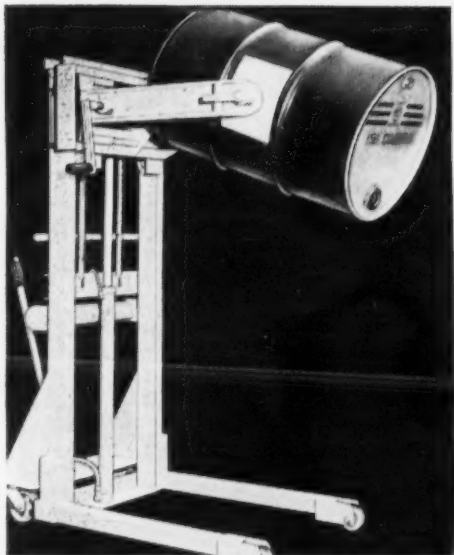
Cutting Knives

With Safety Guard Sleeve

Safety guard, industrial cutting knives are made to speed precision production line operations. Each knife is constructed of heavy-duty, matched aluminum and has a knurled, easy to grip sliding sleeve which may be locked at any position on the knife barrel. Sleeve may be moved back to reveal the knife blade completely, or locked to expose any segment of the blade.

Price: \$1.20 (1-G knife; slim handle), \$1.50 (2-G knife, beaver handle). Delivery: immediate.

X-acto, Inc., 4841 Van Dam St., L. I. C. 1, N. Y. (P.W., 11/10/58)



Front-end Dumper and Stacker

Handles Drum-Type Containers

Stak-R-Dump portable front-end dumper and stacker handles drum-type containers from the 55-gal. capacity, 24 in. dia. down to the 15 gal. capacity, 14½ in. dia. Stak-R-Dump has a capacity of 750 lb., and a maximum dumping or pouring height of 48 in. at a 30 deg. angle. Hand operated, double-action hydraulic pump can adjust to raise a load 1½ in. per pumping cycle. Screw-type vise clamp on the equipment will pick up drums from floor or rack in either vertical or horizontal position.

Price: \$425. Delivery: immediate.

Tubar Dump Division, Uhrden, Inc., Dennison, Ohio (P.W. 11/10/58)



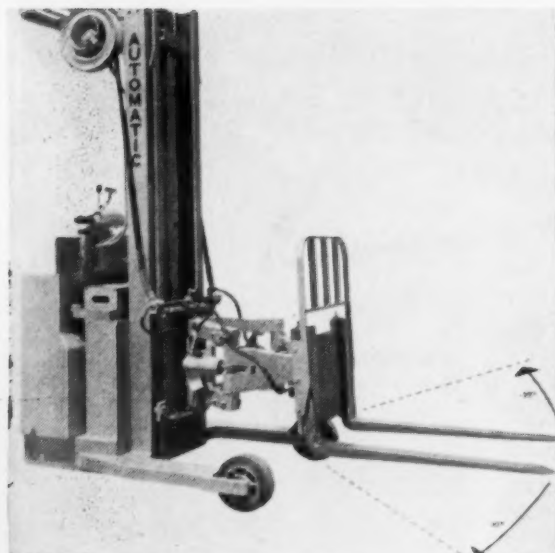
Woodworking Tool

Air-Powered

Duo-Fast brad gun operates at 40 to 8 psi., depending on the job to be done. It drives 1 and 1¼ in. duo-fast cohered brads into hard materials at pressures as low as 50 lb. Duo-Fast brad gun is constructed mainly of magnesium and weighs only about 5 lb.

Price: \$135. Delivery: immediate.

Fastener Corp., 3702 River Rd., Franklin Park, Ill. (P.W., 11/10/58)



Swing Reach Truck

For Narrow Aisles

Transveyor swing reach truck projects forks forward to reach out for the load and swing in unison, right or left of center up to 30 deg. Swing feature provides forks with a 60-degree radius eliminating the need for positioning the truck to pick up a load. Adjustments are made by moving forks right or left.

Price: \$5,396 (2,000 lb.), \$5,829 (3,000 lb.), \$6,194 (4,000 lb.). Delivery: 60 to 90 days.

Automatic Transportation Co., 149 West 87th St., Chicago 20, Ill. (P.W., 11/10/58)



Cold-Heading Machine

For Miniature Parts

Omega "00" cold-heading machine is for quick and accurate cold-heading of miniature parts. Electrical contacts, rivets, pins, and similar parts as small as 0.012 in. dia. x 0.016 in. long can be produced by this machine. "00" is a standard solid die, double stroke heading machine.

Price: \$3,750. Delivery: about 12 wk.

Robert E. Morris Co., 5004 Farmington Ave., W. Hartford, Conn. (P.W., 11/10/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.

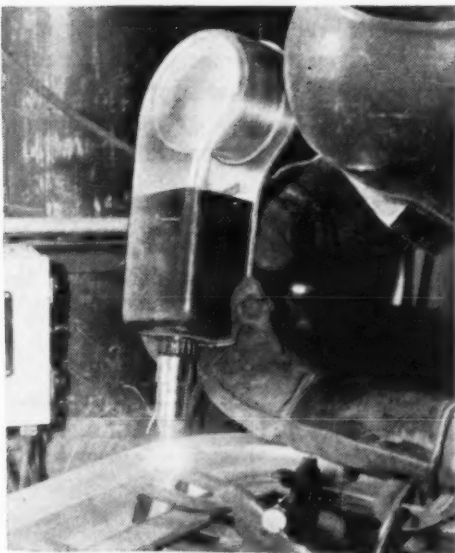


Telescopic Lift

One-Person Operation

High-maintenance telescopic lift is operated by one person riding on the platform by means of foot pedals. It can be stopped at any point between the lowest level of 13 ft. and the full height. Operation is also provided at the base. The platform which is 3-ft. sq., is mounted on a series of five telescoping U-channelled sections fitted within each other. Entire unit is portable so it can be moved around the radio telescope whenever needed. Base is 8-ft. sq.; can enlarge to 13-ft. sq. Price: \$9,500. Delivery: 5 days.

Special Products Division, Colson Corp., Somerville, Mass. (P.W. 11/10/58)



Air Reduction Gun

Reduces Welding Time

Aircomatic MIGet gun reduces welding time from 15 to 2 min. Gun houses a spool of welding filler wire as well as the drive motor and drive rolls for feeding wire to the joint. Unit can be taken wherever an operator can go and is suited for making shore welds in hard-to-get-at places. Wire can be fed up to 900 in. per min. Air reduction gun, including a reel of aluminum wire, weighs less than 4 lb.

Price: about \$700. Delivery: about 2 wk.

Air Reduction Sales Co., Inc., Division of Air Reduction Co., Inc., 150 E. 42nd St., N. Y. 17, N. Y. (P.W. 11/10/58)



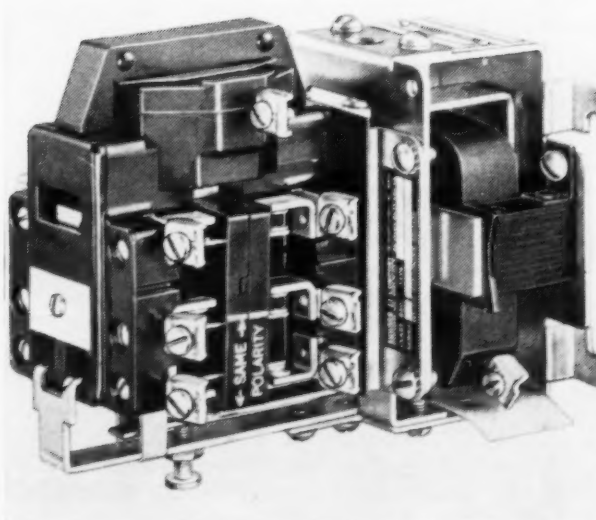
Power Supply

Transistorized

Model SC-32-2.5 tubeless transistorized small package voltage regulated power supply delivers 0 to 32 v., 0 to 2.5 amp. Unit has overtemperature protection, continuous variable output voltage without switching, and is designed to operate continuously into a short circuit.

Price: \$6.50 f.o.b. Flushing. Delivery: 45 days.

Keeco Laboratories, Inc., 131-38 Sanford Ave., Flushing, N. Y. (P.W. 11/10/58)



Control Relays

Mechanically Held

Type D mechanically held control relays are rated at 10 amp., 600 v. Relays mount in the same space as standard electrically held relays. Design allows relays to be mounted on control panel in the proper sequence as they appear on elementary diagram.

Price: from \$27 (open type, 2 pole, single throw).

Square D Co., 4041 N. Richards St., Milwaukee 12, Wis. (P.W. 11/10/58)

This Week's

Product Perspective

NOVEMBER 10-16

Here are more new materials for your consideration:

Four new titanium alloys can be added to the list of structural materials. MST-2½ AL-16V is easily worked in its low-strength condition, can be age hardened to high tensile strength. Likely application is as honeycomb structural material. Honeycomb brazing cycle can be used to heat treat material. Alloy is available in wire, sheets, bars, strips, and billets.

MST 821 can be arc welded, keeps its high strength and ductility after welding. Good high temperature properties also indicate use in jet-engine rotors and blades.

MST-3AL-2½V is first titanium alloy specifically designed for high-strength tubing. It is weldable, formable, corrosion resistant. Age hardening increases tubing tensile strength to 120,000 to 130,000 psi.

MST 185 is still experimental. Annealed condition has high strength; no additional heat treatment is needed. But age hardening brings strength to 260,000 psi. compared with some high-strength steels at more than 400,000 psi.

All four alloys are made by Mallory-Sharon Metals Corp.

• Wear surfaces of tungsten carbide soldered in place are possible with new process. Copper plate coats carbide part, lets you use ordinary low-temperature soft solder for joining. Company offers copper plating process on a contract basis. (Ram Meter, Inc.).

• Coating technique improves scratch-resistance of transparent acrylic plastics. In process, very thin transparent layer of nylon is bonded to the acrylic surface. Combination also resists crazing by organic solvents. Process is being licensed for use. (Bjorksten Texas Research Co.)

• Polyethylene film reinforced with fibrous glass scrim is available. Called FRF (Fiberglass-reinforced film) material sandwiches scrim layer between two layers of poly film. FRF compared with conventional film has better strength, rip, and tear resistance. Dimensional stability is also improved. 8-mil reinforced film competes cost-wise with 10- or 12-oz. canvas used for tarpaulins. 4-mil film could be used for 50-lb. bags and is cheaper than 10-mil bag normally used. (Owens-Corning Fiberglas Corp.)

• Low-cost weatherproof adhesives will compete with phenolics in many applications. Made from tree bark, HT-120 yields a thermosetting adhesive for plywood that meets commercial requirements for exterior use. It is stable at room temperature, cures easily. (Rayonier, Inc.)

• Atomic Energy Commission estimates 1958 production of zirconium will exceed 2 million lb.—twice last year's output. Increased availability is likely to halve cost by year-end for large-quantity purchases. Report made for AEC by Battele Memorial Institute points out major use is still in nuclear reactors, but possibilities for metal as structural material in other applications should not be passed up as prices drop.

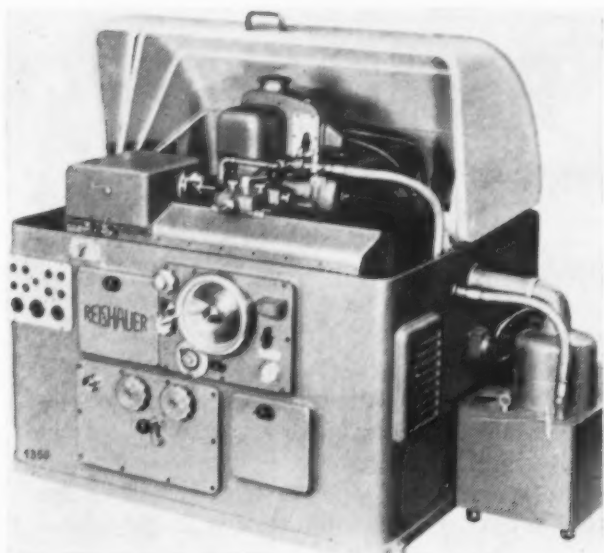
• White fibrous material combines light weight with excellent resistance to heat and has promise as an insulating material. The material is a compact mass of crystalline fibrous potassium titanate. Individual fiber diameter is less than 1/25,000 in. This plus high reflectivity keeps heat from penetrating by scattering incoming infrared rays. Most likely applications will come where space and weight are critical. In the 1,300 to 2,100F. range the material is about twice as effective on a volume basis as other insulating materials. It is not yet available commercially. (E. I. Du Pont de Nemours and Co., Inc.).

• There's a growing availability of large-size tantalum sheets and shapes. Pfaudler Co. in cooperation with Haynes Stellite Co. has fabricated a 30-gal. reactor having a sheet-tantalum lining. The reactor is designed to operate at 650 F. and 500 psi. Tantalum will resist all acids except hydrofluoric.

• New powder metal bearings are made mostly from iron powder. Like porous bronze bearings, the iron bearings also are self-lubricating; they come with a stored supply of oil. But their cost is substantially less because of the iron powder's comparatively low cost. Unlike the bronze bearings they are not recommended for applications subject to corrosion. Suggested uses include: home appliances, fractional horsepower motors, power tools, light machinery. (Amplex Div., Chrysler Corp.)

Your Guide to New Products

(Continued from page 17)

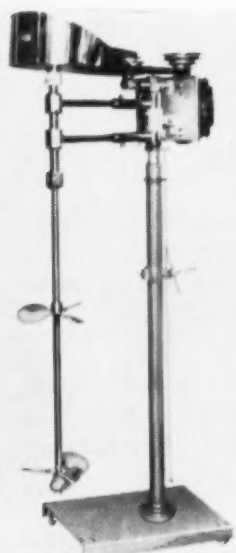


Thread Grinding Mach.

For Small Parts

Automatic, single-purpose machine, the Rag, provides high precision thread grinding on small parts such as taps with straight and helical flutes, micrometer spindles, thread gages, and small worms with fine pitches. Single-rib grinding wheels with longitudinal feed are used exclusively.

Price: \$23,650 (complete). Delivery: 4 to 5 months. Cosa Corp., 405 Lexington Ave., New York 17, N. Y. (P.W. 11/10/58)



Portable Mixer

For Stirring and Blending

Three-speed portable mixer is for stirring, blending, mixing, and agitating. Unit comes equipped with rollers for easy portable operation. Both the propeller and stand shafts are adjustable for unlimited settings for "above-and-below" floor level tanks. All parts which come in contact with ingredients are of stainless steel. Mixer is fitted with standard belt drive for propeller speeds of 175, 325, and 575 rpm.

Price: \$245. Delivery: 2 wk. Terris Division, Consolidated Siphon Supply Co., 22 Wooster St., New York 13, N. Y. (P.W. 11/10/58)



Rubber-Fabric Container

Reinforced

Gar-Boy Model BA25-40 moulded rubber-fabric container holds 10 gal. of most liquids, waste, or other material. Gar-Boy can be thoroughly cleaned and odorproofed. Container has no metal parts to rust. Strongest acids, soaps, or detergents will not harm its moulded-rubber-fabric composition. There are no seams to split in rough handling and no corners where dirt can collect or sharp edges. Overall dimensions are 16½ in. top dia. and 19 in. high.

Price: \$114 a dozen (with covers). Delivery: immediate.

Cauchotex Industries, 44 Whitehall St., New York 4, N. Y. (P.W. 11/10/58)



Rotary Air Compressor

Portable

Light, slow speed 125R-G2 is a sliding vane type two stage compressor with an in-line cylinder arrangement. It is rated at 125 cfm. of free air compressed to 100 psi. It is powered by direct drive. "One-valve" air pressure adjustment is provided.

Price: \$4,720. Delivery: 2 to 3 wk.

Le Roi Division, Westinghouse Air Brake Co., Milwaukee 1, Wis. (P.W. 11/10/58)

Profitable Reading For P.A.'s

"Reading Maketh a Full Man"—Bacon

Corrosion-resistant Chemiseal mechanical seal is described in bulletin, No. AD-164. It lists types, optional designs, specifications and installations of the new seal. It also lists the advantage of bellows design, i. e., proper pressure balance is retained without disadvantage of conventional metallic bellows such as corrosion and flexural fatigue. Bulletin is available from **The Garlock Packing Co., 427 Main St., Palmyra, N. Y.**

Centrifugal compressors are described in 20-page bulletin, No. 909. It describes the outstanding construction and operating features of the units and lists some typical applications. Design features are illustrated with an easy-to-understand cutaway photo and with an exploded view that shows all the components. Adjustable speed Gyrol fluid drive, inlet guide vanes, blast gate and constant air weight

are covered. Bulletin is available from **American-Standard, American Blower Div., Detroit 32, Mich.**

Properties and uses of 375 industrial, pharmaceutical, and agricultural chemicals are described in new 1958-59 booklet. Containing a new cover and new features, the booklet is a ready reference for Dow's broad range of chemicals. Booklet can be obtained by writing **Dow Chemical Co., Midland, Mich.**

Fasteners are described in 4-page bulletin. It outlines precision-engineered fasteners available with special features, and contains numerous illustrations of cold-forged fasteners for automotive, aircraft, appliance, farm equipment, engine, and other industries. Copies are available from **Chandler Products Corp., 1493 Chardon Rd., Cleveland 17, Ohio.**

Purchasing Week Definition

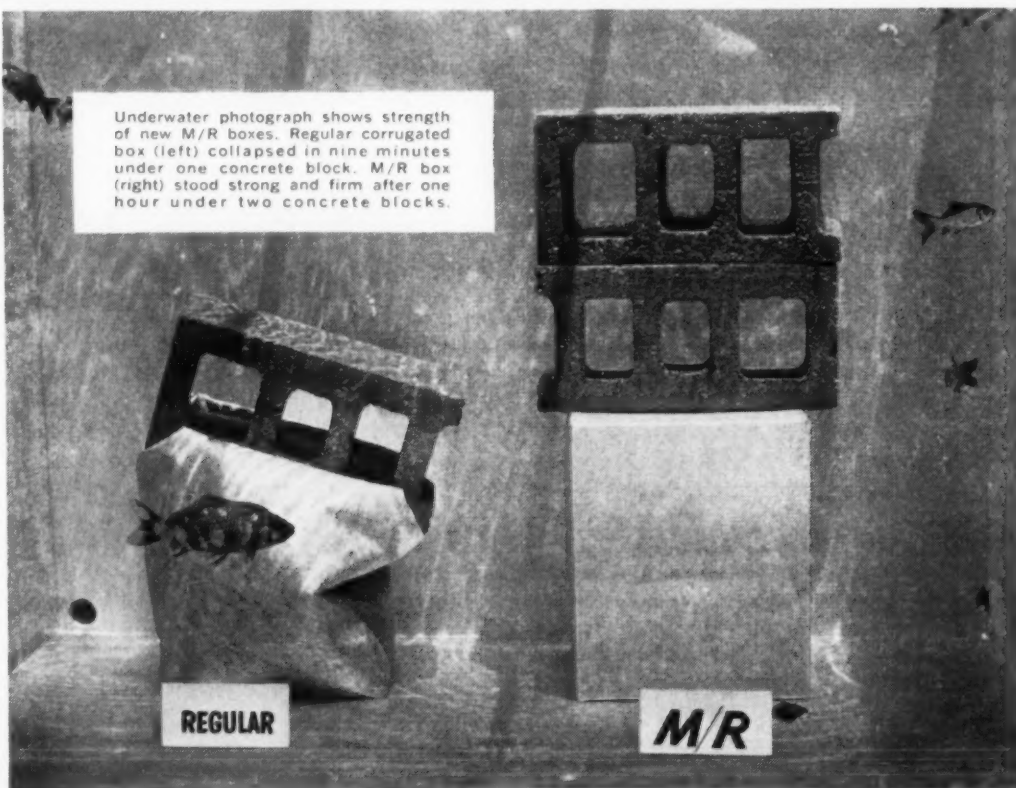
More About Plastics

Acrylics—Chemically they are known as methyl methacrylate. Resin is castable. Acrylics are available in sheet, extruded or cast shapes. They have optical qualities, high impact resistance, and can be easily colored. Plant uses include: Safety shields, fume hoods, other protective devices. Standard commercial sheets should be kept below 190F. Some grades will withstand boiling water. Acrylic sheets scratch more easily than glass.

Polystyrenes—They are the cheapest of the thermo-plastics on a volume basis.

Styrenes have good resistance to water and chemicals, are readily moldable. Drawbacks are brittleness, low heat resistance, tendency to craze. High-impact resistance type is available at somewhat higher price.

Nylon—This is the generic name for large family of polyamides. Nylon started its career as a textile fiber, is now available as molding powders with a wide variety of characteristics suitable for a number of applications. Uses include: Bearings, gears, bushings, brush bristles, pump impellers. (P.W. 11/10/58)



New M/R Corrugated Boxes

stay strong when wet...even under water!

Important news about Hinde & Dauch's new M/R (moisture resistant) corrugated boxes: Hydrocooler tests show M/R boxes shed water; stay strong and durable for packing and shipping all kinds of wet products. Moreover, M/R boxes stack high and straight, save packing and handling time, provide remarkable prod-

uct protection. Initial tests indicate shipping damage to peaches reduced 50%. The smooth, clean surfaces of new M/R boxes can be colorfully printed with your brand message. H&D Package Engineers are ready to design an M/R corrugated box for your product. Write, wire or phone for complete information today!

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Division of West Virginia Pulp and Paper Company

AUTHORITY ON PACKAGING • SANDUSKY, OHIO
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5814 Decatur Street, Sandusky, Ohio

Please rush me samples and detailed literature on new M/R corrugated board.

Name _____

Company _____

Address _____

City _____ Zone _____ State _____

Westinghouse Research Develops Possible New Product Applications

Pittsburgh—Westinghouse Electric Corp.'s central research laboratories have come up with a number of new developments with possible new product applications.

Westinghouse researchers are working on a new insulating material called "hotrock" which will allow an electric motor to keep running while glowing red hot. Motors insulated with the glass fibre and phosphate material have been kept running for as long as 1,000 hr. at 950 deg. F.

Planned Obsolescence Theory Called 'False'

Bedford Springs, Pa.—The idea that planned obsolescence can pave the way to full production and prosperity is a false theory, a Cleveland industrialist declared last week at a meeting of industrial designers here.

F. M. Hauserman, president, E. F. Hauserman Co., hit out sharply at advocates of planned obsolescence when he spoke before the annual convention of the American Society of Industrial Designers.

"Advocates of planned obsolescence operate on the theory that designing a product that will wear out or go out of style quickly will create a constant market," Hauserman said. "To follow this theory could be disastrous."

Don't permit the slums of tomorrow to be planned on the drawing boards of today, the Cleveland industrialist urged. He called on both designers and producers to take a more creative approach to their problems.

Hommel Uses Colors To Identify Frit Grades

Pittsburgh—The O. Hommel Co., manufacturer of frit for the ceramics and enameling industries, has started shipping its products in tough, paper bags of different colors to identify each grade.

Frit is the name given to special compounds which are fused to produce an enameled surface on metal, or a glaze on ceramic products, as well as the name for calcined materials used in making glass.

A company spokesman explained the color scheme on the new bags makes it easier for the P.A. to check his inventory. Red identifies the "cover coat" frit. Blue is for "ground coat" frit, and green is for pottery frit.

Harvey Aluminum Forms Titanium Advisory Unit

Torrance, Calif.—Harvey Aluminum has formed an advisory team to aid the chemical industry in the use of titanium.

"For the first time since titanium entered the market in 1947, maintenance and corrosion engineers can look to a dependable supply of metal and freely explore possible titanium applications," a Harvey spokesman said. "The price trend of titanium continues downward, becoming more and more competitive with other materials."

Ultrasonic dish and clothes washers are in the process of being developed to compare in cost with conventional washers. A device for changing electrical energy into mechanical sound vibrations plus cold water does the job. No soap is needed.

A wall panel combining two recent developments will give off light equal to that of a 25 watt light bulb while controlling the temperature in a room. The panel can range from 40 deg. F. for

cooling to 130 deg. F. for heating.

Several other projects are being developed for the government. A new type of radar antenna, cheaper and simpler, consists of drapery fabric with a metallic thread woven into it, pasted over an inflated balloon in which is housed the rotating horn. Another research team is in the initial stages of developing a more accurate sonar system.

Other Westinghouse scientists are working on a "solar sail" approximately a third of a mile in diameter and one ten-thousandth of an inch thick, capable of being propelled through inter-planetary space by the sun's rays.

I.B.M. Sells Time Division to Simplex

New York—International Business Machine Corp.'s domestic time equipment division has been sold to Simplex Time Recorder Co., of Gardner, Mass.

I.B.M. products transferred to Simplex include time clocks, job recorders, master clock systems, central control systems, fire alarm equipment, and recorder door locks.

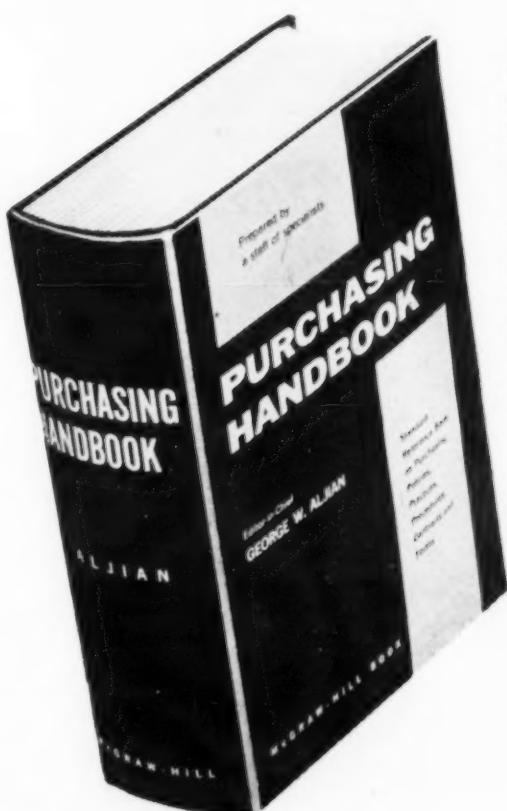
I.B.M. will continue to service all time equipment products, president T. J. Watson, Jr. said in announcing the sale. In explaining why I.B.M. divested itself of the line, Watson said that

with the expansion of data processing and electric typewriter products at I.B.M., the time equipment division products became less compatible with the operation of the company's larger divisions. He noted that in recent years the I.B.M. time equipment division accounted for less than 3% of I.B.M. gross revenues.

Simplex has 92 branch offices in the United States with manufacturing headquarters at Gardner. The entire I.B.M. time equipment sales force will be asked to join Simplex.

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at the **RIGHT** price and have it
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Do you need a good working formula for determining the minimum quantity of any item you order? (See Section 3, page 27.) Suppose two or more suppliers of the same commodity are also customers of your company, from whom do you buy? (See 7-20.) How can you reject an unsatisfactory shipment and still keep the goodwill of the vendor? (See 8-27.) These are typical of the questions answered here. Complete information ranges all the way from how to buy major construction (Sec. 15) to how to set up a "cash purchase order" system for the smallest orders (Sec. 9). Only a personal examination of this Handbook could convince you of the vast amount of information it makes instantly available. Mail the coupon below right now.

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22. Selection and Training of Buyers
23. Performance Evaluation of Purchasing Department
24. Purchasing Department Forms and Records
25. Purchasing Department Library and Catalog File
26. Glossary of Terms
27. Appendix
28. Reference Tables

In the World of Sales

David W. Sheehan has been appointed national used truck sales manager for **The White Motor Co.**, Cleveland.

Peter R. Kent has been advanced to sales manager, **Aluminum and Tubular Rivet Divisions, Channel Master Corp.**, Ellenville, N. Y.

Edward J. Geise has been made assistant manager of commodity sales for the **Naugatuck Chemical Division, United States Rubber Co.**, New York.

George E. McCreery has been named sales manager of **Mac-It Parts Co.**'s newly established na-

tional sales department. Strong, Carlisle & Hammond, Cleveland, had previously been national distributors for the Lancaster, Pa., firm's line of socket screw products. McCreery had served as manager of Strong, Carlisle's Mac-It Screw Division.

Don C. Leith has joined **Price Electric Corp.**, Frederick, Md., as general sales manager. He had been vice president of sales and engineering at Eastern Air Devices, Dover, N. H.

William J. Bloudek has been promoted to sales manager, the **Electric Valve Division, by The Skinner Chuck Co.**, New Britain, Conn.

A. F. Woods has been advanced from sales manager to general sales manager for **Marlow Pump Division, Bell & Gossett Co.**, Morton Grove, Ill.

I. R. Filippone has been named vice president and director of sales by **The Amco Corp.**, Chicago. He will continue to maintain offices at the New York division and will also have offices at Chicago.

Union Carbide Plastics Replaces Bakelite Name

New York—Union Carbide Corp. is changing the name of its plastics division, Bakelite Co., to Union Carbide Plastics Co. Idea is to cement corporate identity with its broad range of products. The division will continue to produce and sell its products under the Bakelite trademark.

In addition to the name change, Bakelite will reorganize its sales structure by establishing six regional offices and separating the selling operations from the specialized marketing services. These services include product

development, market development, advertising and promotion.

Philadelphia Gear Corp. To Handle Swiss Product

Philadelphia—In an agreement signed with Maag Gear-Wheel Co., Ltd., Zurich, Switzerland, Philadelphia Gear Corp. will be exclusive agent for the manufacture and sale of Maag gear products in the United States and territories.

Under the agreement, Philadelphia Gear will become a prime supplier of large precision ground gearing for industries requiring extremely close tolerances.

PURCHASING WEEK

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November 10, 1958

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Purchasing Perspective

NOV. 10-16

(Continued from page 1)

next year with strong likelihood of still larger increases as final budgets are whipped into shape.

Add this to the inventory rebuilding now underway, plus higher expenditures by federal, state, and local governments and higher consumer expenditures for nondurables and services, the upward trend of business is pretty much assured over the next 12 to 18 months.

And going on from there, McGraw-Hill economists see in consumer durables, more than in any other sector of the economy, the potential for a really speculative rise. Revived consumer spending on hard goods would hasten recovery of capital investment in industries where present plans for 1959 seem relatively low—metals and metalworking.

Consumer spending on durable goods has lagged badly in the current business recovery but the outlook is improving. In fact, there are sound grounds for forecasting sharp sales increases in 1961 with an approach to boom dimensions in 1960. The reasons are basically:

- Improvement in consumers' real income and the prospect of continued improvement.
- Impressive potential for expanding consumer credit.
- Large needs to replace older durable goods.
- Prospects for getting substantially better products in 1959 without much increase in prices.

These same optimistic forecasters emphasize, however, that a consumer durable boom would not have the same powerful momentum of the 1955 upswing produced by carryover demand from World War II and the Korean War years. Styling, pricing, and extra values figure more closely now. In short, it's going to take a bigger, better selling job, requiring a rejuvenation of the retail selling art from its current sad state.

Some glass shortages showed up last week, as a result of strikes at Libby-Owens-Ford and Pittsburgh Plate Glass. The walkout continued at Pittsburgh plate plants despite agreement between L-O-F and the United Glass & Ceramic Workers. Glass salesmen told many customers to count on delays of nine weeks or longer, especially on window glass orders.

Hopes Die for Lead-Zinc Controls

(Continued from page 1)

Mexico, favored this move as an alternative to U.S. import quotas slapped on last month as an "emergency" measure.

But on the eve of the conference, chances for a general agreement were complicated by new developments and conflicts of view.

• Canadian government officials, who opposed international controls in principle at the first U.N. conference last September in London, were reported ready to go along now. On the other hand, Canadian mining industry leaders, who privately favored international controls at London, have been reported happily surprised with their share of exports to the U.S. under the American quota scheme and now don't want to upset a sure thing.

• U.S. lead-zinc interests, who were not represented at London, are included in the American delegation this time. Domestic mining spokesmen may try to get the conference to settle for a long-range international study of the market, thus keeping U.S. import curbs in effect for a while longer.

If the Geneva meeting fails to reach agreement on international controls the U.S. import quotas will be kept in effect. But even in the U.S. industry, export-im-

porting firms who rely on foreign ores are reported ready to test the domestic import quotas in federal court. A recent customs court decision on a domestic quota case involving bicycles threw doubt indirectly on the lead-zinc quotas by ruling that the President must act on Tariff Commission recommendations within 90 day time period specified by law. He took longer in both bicycle and lead-zinc cases.

May Try for Another Subsidy

To further complicate the picture, the off-chance that domestic mining interests will try for new federal subsidy programs has come up again as an outgrowth of the election last week. Mining-state legislators who favored trade curbs as the best protection for domestic mines were defeated—including Senators George Malone (R-Nev.) and Frank Barrett (D-Wyo.). On the other hand, Congressional mining experts see a trend toward younger, more international-minded representatives from mining states, who would favor government subsidies over trade curbs.

The upshot could be this: If no international controls are agreed to at Geneva, domestic mining industry strategists may look to Congress for other government aid than import curbs.



CAFETERIA OF TOMORROW is likely to be like this one at Plimpton Press, Norwood, Mass. As costs of today's in-plant eating places rise, purchasing men will be called on to study vending machines.

We'll Eat From Vending Machines if Makers Succeed in Replacing In-Plant Facilities

Cafeteria of Tomorrow Is Seen by National Automatic Merchandising Association as Big Battery of Well-Designed Machines

(Continued from page 1)

was losing \$80,000 a year counting cost of labor, taxes, depreciation, and floor space assessments. Management contends the food needs of the 17,000 employees are being met with better acceptance than ever before. In addition, G. E. is now receiving floor space rent from the vending machine operator.

Bell Telephone was also cited as an example where an automatic food vending operation paid off. Pleased with the success of its installation at Wilmington, Del., office, the utility is understood to be ready to install similar setups at six more locations.

Other Plants Use System

U. S. Rubber, American Motors, Chrysler, Montgomery Ward, and R. C. A. also were pointed out as firms which have utilized successfully automatic food vending service at various locations either to replace or supplement normal manually operated cafeteria facilities.

An "automated" meal typical of those which can be found more and more often in plants and factories was served to substantiate the vending industry's claims of ability to provide complete soup-to-nuts food service.

Fifty guests invited to lunch were served an automatically vended meal consisting of: a choice of seven hot soups; seven hot main course dishes, such as macaroni with cheese or egg noodles with beef; three salads; a variety of hot and cold sandwiches; fruit, coffee, milk, or soft drinks; and two choices of a complete luncheon served on a tray.

Used Dollar Bills

The guests paid with dollar bills (not coins) which were fed into a newly designed automatic payment device which is rigged to give the exact change in coin. The device also can reject counterfeit paper bills or bill denominations over \$1.

Automatic vending of hot foods, virtually unheard of four years ago, now is one of the fastest growing segments of the automatic merchandising business. Sales this year are expected to hit around \$20 million as more offices and factories install newer

machines to replace manual cafeterias. The recession kicked the in-plant feeding phase of automatic vending into high gear when many firms began to re-examine various costly operating items, including plant and office cafeterias.

Fast Rise in Acceptance

One company which operates virtually exclusively in the industrial feeding field is the Automatic Merchandising Corp. of Boston. It began business in 1950 with \$6,000 in capital and now exceeds \$4 million a year in sales.

The company's executive vice president, Berton Steir, warned companies to avoid the type of automatic operation directed by plant groups other than top management.

"Too often when employees make the decisions, they are interested in money for athletic activities, flower funds, or other types of employee welfare," Steir said. "However, this kind of operation does not answer what management needs from an efficiently run automatic installation."

P.A.'s Urged to Examine

He urged that purchasing directors utilize their price comparison abilities to advise plant management on the type of automatic installation. Steir, whose firm handled the G.E. installation at Lynn, said he replaced the cafeteria there with automatic vending machines having a total investment of about \$50,000 with about \$250,000 worth of equipment scattered throughout other sections of the company's 20 plant areas at Lynn.

Steir said G.E. and Automatic have an "open contract" whereby under certain conditions G.E. agrees to reimburse the vending firm for any losses. However, he said, there have been no losses to date, and the space and utility charges now being paid by vending machine revenues amount to \$30,000 a year alone.

Some firms in the automatic feeding field like to combine vending machines with shortorder service but with the machines doing by far the majority of the business. Aaron Goldman, president of G. B. Macke Corp., Washington, D. C., said experi-

ence has been that employees tire of completely automated installations' menus after about eight to ten months, but supplementary short-order dishes prevent this.

E. F. Pierson, board chairman of Vende Co., a Kansas supplier of vending equipment, said industrial management has accepted automatic food service for three major reasons: cost reduction, round-the-clock service, and fast food service right in the work area.

Antitrust Staff to Ignore Steel Price Increase

(Continued from page 1)

would check the circumstances of the steel price increases to see if any antitrust laws had been violated. The subcommittee, headed by Sen. Estes Kefauver (D-Tenn.), had just completed a lengthy investigation of "administrative pricing" in the steel and auto industries. While Kefauver has questioned the legality of such pricing, the steel industry has denied it even exists.

Last week Hansen answered critics who complained about failure to take action against the uniform steel price increases. Discussing general antitrust policies before an audience of economists, Hansen said he agrees that steel prices are administered but added:

"Proof there may be, as there was in the steel situation, that prices rise in quick succession. Proof there may also be that prices are administered in that they respond not to supply and demand but to the prices adopted by price leaders of the industry. Yet all of this may fall short as proof of a price-fixing violation."

He said the law still requires "evidence that the parties conspired, namely that they agreed to adopt the price increases."

State Supreme Court Rules on Local Levies

Los Angeles—The California State Supreme Court has ruled that local governments cannot levy personal property taxes on materials, machines, or inventories or plants under contract to produce defense weapons for the Federal Government.

Price Changes

Petroleum—Esso Standard Oil Co. has dropped the voluntary allowance for New York harbor barge kerosene and No. 2 fuel oil. The ¼¢ voluntary allowance on New Jersey No. 2 oil has also been eliminated. New Jersey No. 2 oil price is now 9.9¢ a gal. New York No. 2 oil is 9.7¢ a gal., and kerosene is 10.2¢ a gal.

Esso has also dropped its 8 cent a gal. voluntary allowance for No. 6 fuel oil in New York City. The net price is now 6.85¢ a gal.

Indiana Purchase Oil Co. has cut its posted price of Oklahoma sweet crude oil by 7¢ a bbl. Top price is now \$3.08 a bbl. Magnolia Petroleum Co. has cut the price it pays for certain Oklahoma crude oils by 10¢ a bbl. The new top posting is \$3.05 a bbl. for 40 gravity oil.

An increase of 10¢ a bbl. on No. 6 fuel oil in northern shipment has been made by Midcontinent Refineries.

Textiles—Improved demand has raised tags on cotton broad cloth and dacron-cotton batiste fabrics. The broad cloth moved up ¼¢ a yd. Dacron-cotton cloth rose 1¢ a yd. Certain combed sateens are up ¼ to ½¢ a yd.

Turpentine—Southern tags of turpentine dropped ¼¢ a gal. to 52¢ a gal.

Nitrogen Chemicals—Increased production has caused a 5% drop in urea tags to \$107 a ton on the Pacific Coast.

Anhydrous ammonia tags have been cut 25% on the Pacific Coast to \$66 a ton.

Phenol—Major producers have cut synthetic phenol, U.S.P., by ¾¢ a lb. Several grades of natural phenol have been cut ½¢ a lb.

Oiticica Oil—A major producer of oiticica oil has advanced prices ¼¢ to 16¾¢ a lb. for spot material in tanks. Drums are quoted at 18¼ to 18¾¢ a lb.

Mercury—Reductions in mercury tags put the current price at \$235.50 to \$237 a flask of 76 lbs.

Copper Oxide—Upped copper tags have caused a 1½¢ a lb. boost in copper oxide. The quantity price is now 44¼¢.

Anti-Knock Compounds—Price increases of some 3/5¢ a lb. in anti-knock compounds have been made by Du Pont Co. The increase follows similar boosts by the Ethyl Corp.

Meta-Chloroaniline—Increased imports have dropped tags of meta-chloroaniline 3¢ a lb. Tank-car tags are now 73¢ a lb., while carlot and truckload prices are 75¢. Less carlot quantities are quoted at 77¢.

Molybdenum Products—Climax Molybdenum Co. has boosted most tags by 5%. Increases are reported due to upped labor and other costs.

Silver—Silver tags dropped by ¼¢ an ounce last week to 90½¢.

Ways to Stabilize Prices Suggested

(Continued from page 1)

perturbed over the increasing talk—and it's no more than talk—of the possible necessity for imposing wage-price controls to hold down inflation.

President Eisenhower has warned several times that consumers may become so fed up with rising prices that they may force the government against its wishes into slapping on controls. A number of congressmen have picked up the theme, saying something along these lines should be considered.

There is, however, no real chance that such a drastic move will be forthcoming, either in the new heavily-Democratic Congress or even in the foreseeable future.

But the economists polled by the committee displayed apparent sharp sensitivity to public opinion. They endeavored to show that they were taking a reasonable approach to finding a solution of the problem, and not merely engaging in name-calling.

Only one, Richard V. Gilbert, a consultant from Westport, Conn., called for outright wage-price controls. Gilbert declared they were necessary to mobilize the nation for the Cold War with Russia in order to contain inflation and at the same time provide for "massive expansion of economic power."

The others stopped considerably short of these recommendations, preferring instead a strengthening of present monetary, fiscal and budgetary weapons for handling the problem.

Copper Miners Return; But Prices are Guess

New York—Copper consumers began a new price-guessing game as strike-idled producers put mines back into production last week.

With the end of a seven-week strike at five Northern Rhodesian mines, all disputes except the one which closed International Nickel Co.'s big Canadian operation had been settled.

Production losses, combined with increasing industrial demand, had been forcing world copper prices upward in recent weeks and prompted Britain to announce it would release 10,000 long tons from its stockpile to ease a tight supply situation.

Industry observers leaning toward the view that current high levels will hold pointed out that copper will continue tight for 60 to 90 days, the time it takes for ore from the long-idled mines to reach delivery in the refined state. Big U.S. producers indicated they planned no deviation from current seven-days-a-week production schedules.

Great Lakes Shippers Get New Freight Container

Buffalo, N. Y.—A new freight container service to overseas points has been made available to Great Lakes shippers. The Lancaster Steamship Agency here announced it will utilize freight containers on shipments between Great Lakes ports and LeHavre, Antwerp, Rotterdam, Bremen, and Hamburg.

What They Say About the Buyer-Seller Relationship

Salesmen

On knowing more about products and manufacturing operations.

"P.A.'s need a good practical knowledge of the items they purchase, where they are used in their plants, and why they are used. In this way they will be assured that they are getting the best product for the job."

"A better knowledge of his company operations on the part of the purchasing agent would help salesmen make recommendations that could improve the company operation and perhaps even furnish a product or material at a better price than present."

On salesmen getting to talk to other department heads.

"When following up on inquiries from the shop, I find shop personnel are often surprised and disappointed to find they have been denied the opportunity to see the product earlier."

"By encouraging, rather than discouraging, regular vendor-shop contact much petty detail could be eliminated. Purchasing would have more time for analytical buying."

Purchasing Agents

"The P.A. cannot possibly know all the technicalities. But he does know the outlines and is assisted by specialists in his company."

"P.A.'s can't be expected to be experts on 200 or 300 items. Good salesmen can educate the P.A. on the product he is offering. A poor salesman who cannot sell his product can not help to broaden a P.A.'s knowledge."

"The P.A. who knows his job is making every effort to learn all about products."

Salesmen Advise You on What to Do

(Continued from page 1)

suggestions of 15, 38, and 11% of the salesmen. Some respondents mentioned two of the points; some mentioned all.

In a parallel survey on what salesmen can do to help purchasing men, 130 P.A.'s from 90 cities presented their side.

The purchasing men did not ignore in their survey the three suggestions of the salesmen. They had answers for all of them (See box above).

Distributor men feel P.A.'s don't have a solid understanding of the products they purchase. Furthermore, they say, many P.A.'s don't take the time to familiarize themselves with their plant operation and its product needs.

Some 15% of P.A.'s responding agree that they don't know everything about all the products they handle. In some cases, they point out, P.A.'s can't; there are too many products involved. But these P.A.'s insist they know where to get the information within their company when they need it. As far as knowing plant operations is concerned, a few of the P.A.'s surveyed came up through the plant. Those that didn't, claim to be making every effort to know more about plant operations. In fact, they consider it a must if the P.A. is to perform his function properly.

On the other side of the fence, 85% of the P.A.'s say distributor salesmen just don't have the necessary product knowledge of the items they are selling. Too many salesmen, they say, have a "canned" talk and get hung up on requests for special information made by the P.A.

While the lack of product knowledge on the part of purchasing men is true in some cases, salesmen must share at least part of the blame with them. After all, say 12% of the P.A.'s surveyed, an important part of the salesman's function is to keep them informed of what is happening in products.

"I can't get in to see the engineer, the production chief, or the maintenance chief" say 38% of distributor salesmen. Virtually

all, 92%, of P.A.'s surveyed say that is true. But they make some qualifications.

P.A.'s insist they are paid to see salesmen; other department heads are not. P.A.'s also recognize that if the salesman has a valid product to offer and if a third party is needed to fully explore the product's potential, the salesman has every right to see the third party.

Policies on steering salesmen to other departments vary considerably. For instance, 7% of the P.A.'s insist that they accompany the salesman when he meets other people. A few clear the meeting with plant superintendents, company controllers, or other high-level officers. But generally, P.A.'s simply phone the appropriate department head and request an interview for the salesman.

P.A.'s have some positive reasons for wanting to bring salesmen and other departments together. Here are some of them:

- To get specifications that cannot be given by the P.A.
- To assist other departments in learning what new products are available and what they can do.
- To discuss any highly technical problems.
- To discuss some of the finer details of a product application.

One distributor salesman brings up an interesting point. He feels that P.A.'s have the duty to discourage poor salesmen from continuing with a sales career. This may be an added burden for the P.A., but it does offer him some benefits. In the long run it will help upgrade the sales profession, and, in the process, better salesmen would make the P.A.'s job that much easier.

The third major area where salesmen ask P.A.'s help in improving service lies in the standards on which P.A.'s choose to base their purchase. Some 11% of distributor salesmen feel that P.A.'s pay too much attention to price. With few reservations, P.A.'s say this is not so.

A solid 96% of P.A.'s surveyed say they place a purchase order on this basis: quality first,

then service, then price. If quality and service of competitive products are equal, then price rules.

At the start of a buyer-vendor relationship, 3 of the P.A.'s surveyed consider price the stating point. With the pressure on to cut costs, some try to match the lowest-price product quality with the product's function. To many salesmen this looks like an over-emphasis on price.

Five of the salesmen surveyed suggest that the P.A.'s take more advantage of visiting their vendors. A tour of the vendor's facilities would give the P.A. a much clearer picture of the services the vendor has to offer. Knowing these services, the P.A. will be in a better position to make use of them.

Getting down to specifics, distributor salesmen believe they could improve their service if purchasing agents:

- Had only a few regular suppliers rather than many.
- Settled on standardized products and materials rather than searching for specials.
- Adopted reasonable lead times.
- Improved communications between themselves and the plant.
- Learned more about manufacturing methods in their plant.
- Had all the information on the product they want to buy.
- Had specific visiting hours for salesmen and made it a point to see everyone who called during these hours.

• Would not keep them waiting when they called.

P.A.'s on the other hand have these suggestions to make to salesmen:

- Keep up to date on price and product information.
- Give advance notice of price changes.
- Follow-up sales to make sure product is performing as it should.
- Know their products and their competitors' products better.
- Know delivery time.
- Make sure salesman's office personnel know how to expedite.
- Suggest sources for products not handled by the salesman.
- Don't try to by-pass the P.A.



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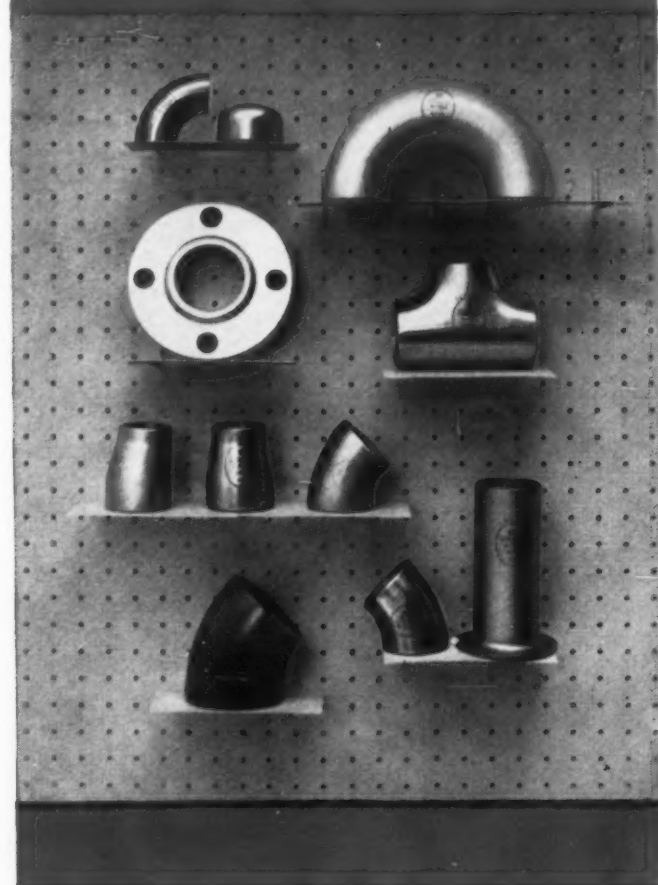
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